

March 31, 1961

RADIOGRAM

URGENT

EX 101-61

TO SAC, EL PASO

FROM DIRECTOR, FBI

28704-1

BILLIE SOL ESTES, PECOS, TEXAS, FRA. RE DALLAS AIRTEL THREE DASH TWO EIGHT DASH ONE NINE SIX ONE. THE BUREAU HAS RECEIVED A COPY OF A LETTER DATED MARCH TWO SEVEN, ONE NINE SIX ONE ADDRESSED TO THE EL PASO OFFICE FROM DAN SMOOT. THE BUREAU HAS NOT RECEIVED A COPY OF THE ONE FOUR PAGE ENCLOSURE REFERRED TO IN THE LETTER FROM SMOOT. IT APPEARS FROM MATERIAL RECEIVED AT THE BUREAU THAT NO SPECIFIC ALLEGATION IS MADE INDICATING VIOLATION OVER WHICH THIS BUREAU HAS JURISDICTION. EL PASO SHOULD REVIEW THIS LETTER AND ENCLOSURE AND IF ENCLOSURE DOES NOT DISCLOSE ADDITIONAL INFORMATION INDICATING VIOLATION WITHIN BUREAU'S JURISDICTION, YOU SHOULD DISCUSS THE FACTS AS PRESENTED IN SMOOT'S LETTER AND ENCLOSURE WITH THE UNITED STATES ATTORNEY FOR HIS OPINION AS TO WHETHER FACTS PRESENTED INDICATE A VIOLATION WHICH SHOULD BE INVESTIGATED BY THIS BUREAU. ADVISE BUREAU RESULTS OF YOUR CONTACT WITH UNITED STATES ATTORNEY. KEEP BUREAU ADVISED OF ALL

DEVELOPMENTS.

CODING UNIT

1- Dallas (by Airmail) (Info)

VIA RADIOGRAM

JBC:ibm MAR 31 1961

(4) See Note Page 2

12:39 P.M.

APR 6 1961

TYPE UNIT

Tolson _____
Parsons _____
Mohr _____
Belmont _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Tavel _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Ingram _____
Gandy _____

NOTE:

Dan Smoot is a former SA who entered on duty 3/23/42, and resigned voluntarily 6/15/51, following censure, probation and transfer due to several unfounded charges made by him against his SAC and due to his dereliction in not advising the Bureau in certain matters. He was not recommended for reinstatement. He is presently publishing a news sheet, "The Dan Smoot Reporter" published in Dallas, Texas, on a weekly basis, which deals with communism, desegregation, etc. By SAC letter 59-17 dated 3/24/59, the field was advised that any inquiry concerning Smoot or his news sheet must be handled in a most circumspect nature and inquiry concerning Dan Smoot as Special Agent should be answered by merely giving the dates of his employment.

The letter of Dan Smoot contains nonspecific allegations that one Billie Sol Estes of Pecos, Texas, committed fraud involving inaccurate financial statements from numerous individuals in support of notes used in the purchase of large volumes of tanks and chemicals which were discounted in various banks and financial corporations for cash to finance other business ventures. This letter contains no apparent violation within the Bureau's jurisdiction but the facts should be discussed with United States Attorney to determine if facts as presented indicate a violation which should be investigated by this Bureau.

NR. 3/16/55

ENC. 7116

CK. 7116

APPROVED BY 7116

TYPED BY _____

C

F B I

Date: 3/28/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

MCT-14 REC-61

TO : DIRECTOR, FBI
 FROM: SAC, DALLAS (29-0)
 RE : BILLIE SOL ESTES
 Pecos, Texas
 FRA

The Dallas Division has received a copy of a letter dated 3/27/61, from DAN SMOOT, Dallas, Texas, a former Special Agent, wherein he states he anonymously received a memorandum alleging possible irregularities on the part of BILLIE SOL ESTES, Pecos, Texas. Mr. SMOOT's letter was sent to SAC, FBI, El Paso, Texas, with cc's to Director and SAC, Dallas. Mr. SMOOT is presently a radio and television broadcaster narrating the program "DAN SMOOT Speaks".

For information, SMOOT's letter indicates that El Paso Division had enclosed with its letter, 14 pages of material copied from the records of Reeves County Courthouse, reflecting the financial dealings of subject ESTES.

EX 101
 The Bureau will note that the alleged irregularities appear to concern subject ESTES' financial empire and makes reference to actions on the part of bank employees of the First National Bank in Pecos, and the concealment of such actions from bank examiners. For this reason it may be desirous that this matter be turned over immediately to the National Bank Examiners at El Paso, Texas. It is further noted that reportedly subject ESTES is a close friend and financial backer of Senator RALPH YARBOROUGH, as well as having powerful connections in Washington, namely, Vice President LYNDON JOHNSON.

REC-61 MCT-14
 Dallas is instituting no investigation in this matter and will be guided by the appraisal of this matter by the El Paso Division and the Bureau inasmuch as Pecos is in Reeves County, Texas, covered by the El Paso Division.

- 3 - Bureau
 2 - El Paso
 1 - Dallas

JLJ/wac

Approved: (a)

Special Agent in Charge

Sent

M

Per

MAR 30 1961

PERS. FILES

Mr. Tolson	✓
Mr. Parsons	✓
Mr. Mohr	✓
Mr. Belmont	✓
Mr. Callahan	✓
Mr. Conrad	✓
Mr. DeLoach	✓
Mr. Evans	✓
Mr. Malone	✓
Mr. Rosen	✓
Mr. Tavel	✓
Mr. Trotter	✓
Mr. W.C. Sullivan	✓
Tele. Room	✓
Mr. Ingram	✓
Miss Gandy	✓

March 27, 1961

Special Agent in Charge
Federal Bureau of Investigation
El Paso, Texas

RE: Billie Sol Estes, Pecos, Texas
National Bank Act

Dear Sir:

The attached blind memorandum alleges activities which are probably violations of the National Bank Act.

The memorandum refers to fourteen pages of typed material copied from the records at Reeves County Courthouse. I am forwarding those fourteen pages of material to you, but am not having copies made for the Bureau and for the Dallas office. The Bureau and Dallas are, however, getting copies of the blind memorandum.

If the allegations in the blind memorandum do not indicate a violation over which the Bureau has jurisdiction, please refer them to the agency that would have jurisdiction.

This material was sent to me anonymously, but I know the man who sent it. He is a rather prominent Texan and made me promise not to disclose his identity without his specific consent, saying he fears reprisals from Estes if no violation of law is proven and if Estes finds out who supplied this information.

The informant says that Estes has such powerful connections in Washington (with Vice President Lyndon Johnson, Senator Ralph Yarborough, and various officers in the Department of Agriculture and other executive departments) that he fears any allegations against Estes will be whitewashed and pigeonholed without any real investigation being conducted, and that Estes will be told who made the allegations. I told him the Bureau will not whitewash anything. He agreed, but reasoned that the Bureau may not have the jurisdiction and that the matter might be referred to

ENCLOSURE

REC-94

28704-2

APR 4 1961

EXP. PROC.

APR 30 1961

OPTIME RESEARCH

Page 2 -

another agency which would whitewash the matter and disclose the identity of the informant. The informant said that if this is a Bureau case and if it becomes obvious that the Bureau is conducting an investigation, then he will be glad to reveal himself and give whatever information he has.

Cordially,

Dan Smoot

DS:djs

cc - Special Agent in Charge
Federal Bureau of Investigation
Dallas, Texas

Director,
Federal Bureau of Investigation
Washington, D. C.

The following is an incomplete compilation of facts figures, estimates, guesses, and informed opinions submitted for the purpose of attempting to bring about the indictment and conviction of Billie Sol Estes, Pecos, Texas, on the grounds of fraud. This fraud involves inaccurate financial statements from numerous individuals used to purchase large volumes of tanks and chemicals (most of which is thought to be non-existent). These notes are then believed to be discounted at various banks and finance corporations for cash with which other business debts and business ventures are financed.

Billie Sol Estes operates through a number of business firms and corporations, some of which are now listed:

- Billie Sol Estes Enterprises, Inc.
- " Agriculture, Inc.
- United Elevators, Inc.
- Billie Sol Estes Farms, Inc.
- Valley Chemical Co.
- Water Well Service & Supply Company
- Farmers Company, Pecos, Fabens, Anthony
- Billie Sol Estes Oil
- Estex Steel Company
- Pecos Transit Mix
- Farmers Ditch Lining Service
- Equipment Service Company
- Ft. Stockton Implement Company
- Pecos Tire Service
- Kermit-Dyche Warehousing Company, Ft. Stockton
- Texas Steel Company
- Western Chemical Company

The bulk of the financial transactions involved three major companies. They are Superior Manufacturing Company, Amarillo; Commercial Solvents Corp., and Lubbock Machine & Supply Co., Inc. Also thought to be involved are Lufkin Foundry and Machine Company and Associated Growers of Hereford, and Gill Construction Co., Amarillo.

Banking transactions are known to be conducted through the following banks.

- The First National Bank of Pecos
- Amarillo First National Bank
- American National Bank of Amarillo
- City National Bank of Houston
- Midland National Bank
- Hale County Bank in Plainview
- State National Bank of El Paso
- First State Bank of Monahans (through Glenn Alexander)
- Commercial Credit Corp.
- C. I. T.
- Pioneer Finance Company
- Oklahoma National Bank, Chickasha, Okla.
- Fabens Bank at Fabens, Texas
- City National Bank of Plainview
- Silverton State Bank
- Hereford State Bank

27-28704-2

ENCLOSURE

The sources of information for this report are comprised of information recorded at the County Courthouse, Reeves County, Texas, under Chattel Mortgages; confidential information from employee in bank; confidential information from employee in Billie Sol Estes's office; reliable information from various farmers and businessmen in Reeves County, Texas.

It is my accusation that Mr. Estes is paying various farmers a cash "bonus" for them to sign chattel mortgages for ammonia tanks, most of which are thought not to exist. Financial statements of these individuals are drawn up in Mr. Estes's offices by his secretary. According to a secretary in his office, these financial statements are grossly inaccurate and exaggerated in order to obtain notes for a much greater amount than the individual involved is known to be worth. Most of these notes are handled through C. I. T., Commercial Credit Corp., Pioneer Finance, and the other listed banks. It is believed that these notes are then discounted at banks for cash and funneled back into Mr. Estes's bank accounts through various "paper corporations". For example, between February 15, 1961, and March 15, 1961, checks totaling \$900,013.79 were transferred from Superior Mfg. Co. in Amarillo, to the Texas Steel Co. account at the First National Bank, Pecos, Texas, then automatically transferred to the Billie Sol Estes Enterprises account. Also, large checks or drafts have been issued from:

Plains Texas Steel Structure, Plainview
City National Bank - \$5,722.66

South Plains Grain - \$7,500.00, \$10,000.00

Superior Mfg. Co. - Farmers Company, Pecos, many checks in the neighborhood of \$30 - 40 Thousand Dollars.

Routinely, large checks are made out from Mr. Estes and the various farmers involved to Superior Mfg. Co. postdated from one month to five years.

All payments on chattel mortgages of the various farmers are paid by Mr. Estes either to the local bank or whichever banking concern the note is carried through. Large money orders are routinely purchased at the First National Bank payable to the holders of the chattel mortgages with the farmers names as sender.

The farmers are offered an amount of cash to sign the notes for ammonia tanks. The amount of money involved has reliably been reported to be from \$1500.00 up to 10% of the net worth as shown by the Farmers financial statements. These payments are made in cash. Each week a large amount of money is drawn from the farm account in cash ranging from 5 to 30 thousand dollars. The farmers are then advised to forget the whole deal, that Mr. Estes will now take care of all payments on that particular note. This proposition has been reported by several farmers who refused to go along with the proposition.

The following fourteen pages are copied from the records at the Courthouse, Reeves County, involving only a portion of the transactions mentioned above. It is reliably reported that a great many more such chattel mortgages have been filed in Pecos County, Loving County, Culverson County, El Paso County, Dawson County, Hale County, Andrews County, Lubbock County, and Hudspeth County. No effort was made by me to secure copies of the chattel mortgages recorded in these counties.

A rough tabulation of the attached chattel mortgages indicate over 9 million dollars to Mr. Estes and almost 4 million dollars to other listed persons. I emphasize that these records are grossly incomplete for even Reeves County, but they do serve as a good indication of the volume of the transactions that are going on. I am informed by his office, that the volume of ammonia tank transactions has massively increased in the past six weeks.

Of particular interest are the following cases:

(1)

[redacted] According to the A.S.C. office, [redacted]
[redacted]
His chattel mortgages to Superior Mfg. Co. [redacted]
or an amount equal to the purchase price of approximately 578 ammonia tanks.
It is believed that the bulk of [redacted] banking is done through
The First State Bank of Monahans.

b6
b7C

(2)

(3)

(4)

(5)

(6)

The remainder of the men listed on the chattel mortgages show discrepancies between their cotton acreage allotments and the number of ammonia tanks purchased. Estimates on their acreage allotments are as follows:

[redacted]
Billie Sol Estes - estimated 2,500 acres

-4-

According to a reliable cotton authority, the following statement is true. "The number of tanks needed vary depending upon the method used. If fertilizer is put in the water, the number needed would be 2 tanks per 150 acres. If "side dressing application" is used, then two 50 gal. tanks are used on a tractor. These smaller tanks are filled from the larger ones. This would require smaller tanks. The smaller tanks sell for \$174.95 plus freight. The tanks last a long time and allowable depreciation on them is based on a 10 year schedule."

Information from the ASQ office in Pecos on 3-21-61 shows the total cotton allotment to be 59,601.3 acres. This would require a maximum of 651.7 ammonia tanks, if every farmer bought completely new tanks at one time.

A ground and areal survey on 3-17-61 showed no accumulation of ammonia tanks over the usual number required to farm. There were 50 ammonia tanks on the lot at Western Chemical Company; there were 20 ammonia tanks at the Farmers Company; there were 22 tanks at Worsham's Airfield; there were in excess of 80 tanks at Phillips Oil Company lot, which is a competitor of Estes.

CHARGES:

- (1) Mr. Estes is purchasing, with cash, fraudulent financial statements from numerous farmers and through them, making large purchases of ammonia tanks, believed to be non-existent.
- (2) It is believed that these fraudulent notes are then discounted at various banks, for cash, to cover interest on previous loans and to enter into new business ventures.
- (3) It is thought that certain bankers are knowingly cooperating in these transactions. This is based on the fact that the involved notes are guarded rather closely at the First National Bank in Pecos, by [redacted] The large volume of bank transactions always take place soon after the bank examiners have left. The local bankers are warned a month ahead when the bank examiners are due to audit their records, thus allowing adequate time to cover up and unsecured loans.
- (4) The exact connection between Superior Mfg. Co. and Billie Sol Estes is not known. According to Dun & Bradstreet, he has no official connection with them at all. Last month, Mr. Estes requested, at the Retail Merchants Bureau at Pecos not to carry any transactions involving Superior Mfg. Co. in their bulletins as it was one of "his companies".

b6
b7C

ASSUMPTIONS:

Based on statements made by Mr. Estes, he plans to cover all notes, loans and mortgages with money paid to him by the Federal Government for the storage of surplus wheat and commodities. It is reliably reported that he received over 4 million dollars last year for storage of grains. He is a close friend and financial backer of Senator Ralph Yarborough. He supplied Senator Yarborough a private plane for his senatorial races. Earlier this month, he was host to the Undersecretary of Agriculture [redacted] for a three or four day tour of this area. This was kept rather quiet and no information of this visit was afforded the local newspapers. It is his belief that once the pending grain bill is passed, he will be able, through his political influence, to grossly increase volume in the grain storage business. This would allow him to come out of

his present over-extended financial obligations with little or no further capital investments.

It is urgently requested that a thorough investigation be made of all these charges. It is imperative that this be done either very quickly or very quietly because his organization is capable of covering discrepancies very fast. His chief business manager is a former Internal Revenue agent, who is well grounded in the various intricate financial and legal maneuvers. Because such a large number of local business, professional, farming and administrative officials are involved, it is considered undesirable to allow them to know any investigation is being made, so that Mr. Estes will not be warned in adequate time to cover up.

FBI

Date: 3/30/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, EL PASO

RE: BILLIE SOL ESTES
Pecos, Texas
NATIONAL BANK ACT

E
FD-217 3-1

By letter dated 3/27/61, received in El Paso, 3/29/61, DAN SMOOT, author of the Dan Smoot Report, forwarded to the El Paso Division a 4½ page blind memorandum which he said he was also forwarding to the Bureau and the Dallas Division and a 14 page recital of chattel mortgage and deeds of trust which he said are items of record in Reeves County concerning the transactions entered into by BILLIE SOL ESTES and various persons. Mr. SMOOT's letter mentions that the 14 page recital of chattel mortgage and deeds of trust was not sent to the Bureau. I have merely acknowledged Mr. SMOOT's letter with enclosures and a copy of my acknowledgment is enclosed.

I have examined the material and fail to see what, if any, statutes have been violated in what, if any, manner. In this connection, I have considered Sections 1005 and 1014 of Title 18 and have wondered how banks and financial institutions would be damaged and how actually ESTES, who is not exactly a small-time operator, could profit from the alleged transactions in the memorandum,

Bureau advice is solicited as to what violations, if any, possibly are alleged here and, if violations are possibly present, investigative steps necessary.

CROSBY

3 - Bureau (Encls. 2)
1 - El Paso

FEC:sac
(4)

ENCLOSURE
MB

amended to
Reopening
3/31/61

REC-19

29-28704-3

10 APR 8 1961

Approved: JEL
66 APR 10 1961 Special Agent in Charge

Sent _____ M Per _____



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

202 U. S. Court House
El Paso, Texas
March 30, 1961

In Reply, Please Refer to
File No.

Mr. Dan Smoot
P. O. Box 9611
Dallas 14, Texas

Dear Mr. Smoot:

This will acknowledge receipt of your
letter dated March 27, 1961, with enclosures,
which are receiving study.

Sincerely yours,

FRANCIS E. CROSBY
Special Agent in Charge

- 1 - Addressee
- 1 - Bureau
- 1 - El Paso

FEC:sac
(3)

29-28704-3
ENCLOSURE

ITEMS OF RECORD

BILLIE SOL

PEODS

REEVES COUNTY

CM/Realty #6083 11/12/59	Billie Sol Estes et ux to Commercial Solvents Corp., (no description or amount furnished)
D/Tr. #6084 11/12/59	Billie Sol Estes et ux to Commercial Solvents Corp., (no description or amount furnished)
CM #6085 11/12/59	Billie Sol Estes et ux to Commercial Solvents Corp., (no description or amount furnished)
CM/Realty #6086 11/13/59	Billie Sol Estes et ux to Commercial Solvents Corp., (no description or amount furnished)
D/Tr. #6087 11/13/59	Billie Sol Estes et ux to Commercial Solvents Corp., (no description or amount furnished)
CM #6088 11/13/59	Billie Sol Estes et ux to Commercial Solvents Corp., (no description or amount furnished)
CM #625 1/11/60	Billie Sol Estes to Anderson, Clayton & Co., \$241,447.00, crops & chattels. (due on demand,)
Rel. Lien #1400 1/14/60	Life Ins. of Virginia to Billie Sol Estes, et ux, (no description or amount furnished)
CM #1731 2/17/60	Billie Sol Estes et al to Commercial Solvents Corp., tanks & trailers (no description or amount furnished)
CM #4610 3/1/60	Billie Sol Estes to [REDACTED] \$17,989.92, 11,700' of 30" concrete ditch (due annual inst.,) b6 b7C
CM #4611 3/1/60	Billie Sol Estes to [REDACTED] \$19,988.80, 13,000' of 30" concrete ditch (due annual inst.,)
CM #4612 3/1/60	Billie Sol Estes to [REDACTED] \$19,988.80, 13,000' of 30" concrete ditch (due annual inst.,)
CM/Realty #2243 3/8/60	Billie Sol Estes et ux to Commercial Solvents \$900,000.00 (due 2/28/64)
CM #2244 3/8/60	Billie Sol Estes et ux to Commercial Solvents Corp., \$900,000.00 (due 2/28/64)
CM/Realty #2245 3/9/60	Billie Sol Estes et ux to Commercial Solvents Corp., \$900,000.00 (due 2/28/64)
CM #2246 3/9/60	Billie Sol Estes et ux to Commercial Solvents Corp., \$900,000.00 (due 2/28/64)
CM #2108 3/31/60	Billie Sol Estes Enterprises to Superior Mfg. Co., \$263,375.00 287 tanks mounted on 4-wheel trailers, (due 60 mos. inst.)

D/Tr. #2232 4/1/50

Billie Sol Estes to [redacted] ail Secs,
11 & 14, Blk. 50, T-8, \$93,085.00, (due annual inst.,) ^{b6}
^{b7C}

CM #3476 6/9/60

Billie Sol Estes Enterprises to Superior Mfg. Co.,
\$45,888.12, storage tanks & etc. (due 36 mon. inst.,)

CM #3518 6/10/60

Billie Sol Estes Enterprises to Superior Mfg. Co.,
\$26,720.52, 3 storage tanks (due 36 mon. inst.,)

CM/Realty #4934
6/16/60

Billie Sol Estes to Superior Mfg. Co, Storage Tanks
& Trailers, \$45,888.12, (due 36 con. install,)

CM #4842 6/24/60

Billie Sol Estes dba Valley Chemical Co, to
Commercial Solvents Corp., 1000 gal. NH3 tanks,
\$900,000.00, (due 5 ann. install,)

CM #4857 7/7/60

Billie Sol Estes dba to Commercial Solvents Corp.,
210-1,000 NH3 tanks, \$900,000.00. (due 5 annual inst.,)

CM #4664 8/10/60

Billie Sol Estes Enterprises to Machinery Finance
Corp., \$70,000.00, used '58 Beechcraft. (due 36 mon,
inst. 8/10/63)

CM #4876 9/3/60

Billie Sol Estes Enterprises to Superior Mfg. Co.
30 1,000 Gallon NH3 Tanks, \$26,156.40, (due \$871.88
each month until paid.)

CM #6052 11/15/60

Billie Sol Estes Enterprises to Lubbock Machine &
Supply Co. Inc., \$260,000.40, 548 - 1,000 gal,
ammonia tanks mounted on trailers. (due 60 mon inst.,)

CM #6059 11/16/60

Billie Sol Estes Enterprises to Superior Mfg. Co.,
tanks mounted on trailers \$78,022.80 (due mon. inst.,)

CM #6206 11/23/60

Billie Sol Estes Enterprises to Superior Mfg. Co.,
acid tanks & applicators \$210,512.16 (due 36 mon. inst.,)

CM #6279 11/30/60

Billie Sol Estes to Equipment Serv. Co., \$7,056.00
'55 A-C crawler w/attachments (due 2/23/63)

CM #6322 11/30/60

Billie Sol Estes Enterprises to Lubbock Mach. & Sup.
Co., Inc., 822 - 1,000 gal, tanks mounted on trailers.
\$383,850.00 (due 60 mon. inst.,)

C/C of CM #6342
11/30/60

Billie Sol Estes Enterprises to Lubbock Mach. & Sup.
Co., Inc., 548 - 1,000 gal, tanks mounted on trailers,
\$260,000.40, (due 60 mon. inst.,)

C/C of CM #6343
11/30/60

Billie Sol Estes Enterprises to Lubbock Mach. & Sup.
Co., Inc., 548 - 1,000 gal, tanks mounted on trailers
\$260,000.40 (due 60 mon. inst.,)

CM #152 1/6/61

Billie Sol Estes to Anderson, Clayton & Co., crops &
chattels \$861,508.00 (due on demand)

Rel. Lien #1169
2/14/61

First Nat'l Bk. Pecos to Billie Sol Estes, pt,
Tract 17, Veterans Sub. Add,

CM #4803 12-5-57 Billie Sol Estes Enterprises to Superior Mfg, Co.,
\$24,000.00, due 48 mon inst., 32-1000 gal, tanks,

CM #461 1-21-58 Billie Sol Estes Enterprises to Superior Mfg, Co.,
\$40,692.00, due 48 mon inst., tanks & trailers,

CM #2389 5-15-58 Billie Sol Estes Enterprises to Superior Mfg, Co.,
\$97,886.00, due 36 mon inst., see orig for des of
ammonia trailers,

CM #2947 6-26-58 Billie Sol Estes Enterprises to Superior Mfg, Co., Inc.,
\$50,225.00, due 60 mon inst., compressors, applicators,
storage & ammonia trailers,

CM #2948 6-26-58 Billie Sol Estes Enterprises to Superior Mfg, Co, Inc.,
\$35,647.50, due 60 mon inst., tanks, applicators & trailers,

CM #2949 6-26-58 Billie Sol Estes Enterprises to Superior Mfg, Co, Inc.,
\$45,570.00, due 60 mon inst., tanks, compressors & trailers,

CM #2950 6-26-58 Billie Sol Estes Enterprises to Superior Mfg, Co, Inc.,
\$49,000.00, due 60 mon inst., 68-1000 gal, ammonia
trailers com,

CM #2951 6-26-58 Billie Sol Estes Enterprises to Superior Mfg, Co, Inc.,
\$40,547.50, due 60 mon inst., 2 tanks & 39 trailers,

CM #3229 7-19-58 Billie Sol Estes Enterprises to Superior Mfg, Co, Inc.,
\$129,737.76, due 60 mon inst., 115 ammonia tanks & 82
phosphoric tanks,

CM #3230 7-19-58 Billie Sol Estes Enterprises to Superior Mfg, Co, Inc.,
\$48,500.00, due 60 mon inst., no des given,

CM #3355 7-28-58 Billie Sol Estes Enterprises to Superior Mfg, Co.,
\$23,037.60, due 60 mon inst., 36-500 gal, Phosphoric
Acid Trailers com.

CM #5237 11-21-58 Billie Sol Estes Enterprises to Superior Mfg, Co.,
\$15,600.00, due 60 mon inst., 20 - 1000 gal, NH3
Ammonia Trailers,

CM #5238 12-4-58 Billie Sol Estes Enterprises to Superior Mfg, Co.,
\$40,885.00, due 60 mon inst., 15-1000 gal ammonia
trailers & 41-500 gal phosphoric acid trailers,

CM #5239 11-21-58 Billie Sol Estes Enterprises to Superior Mfg. Co.,
\$17,836.00, due 60 mon inst., 20-500 gal phosphoric
acid tanks mounted on 4 wheel trailers; 4-1000 gal
ammonia trailers & 4-1000 gal ammonia tanks,

CM #5240 12-4-58 Billie Sol Estes Enterprises to Superior Mfg. Co.,
\$68,528.00, due 12-4-63, 128-1000 gal ammonia trailers,

CM #5245 12-4-58 Billie Sol Estes d/b/a to Superior Mfg. Co.,
\$7,176.00, due 6-4-59, storage, propane tanks & etc,

CM #503 1-10-59 Billie Sol Estes Enterprises to Superior Mfg. Co.,
\$84,609.00, due 60 mon inst.

CM #1933 3-16-59 Billie Sol Estes dba to Superior Mfg. Co.,
\$6,018.00, due 36 inst., 6 combination applicators
w/acid tanks.

CM #1934 3-19-59 Billie Sol Estes dba to Superior Mfg. Co.,
\$23,364.00, due 36 inst., propane skid tanks.

- 502 CM 1-21-59 1-23-59 Glenn Alexander to Superior Mfg. Co., \$94,720.00,
due 48 mon inst., see orig for des of tanks & etc,
- 2013 CM 3-25-60 3-29-60 Glenn Alexander to Superior Mfg. Co., \$18,880.20,
due 36 mon inst., 20 tanks mounted on trailers,
- 3197 CM 6-4-59 6-13-59 Glenn Alexander to Superior Mfg. Co., \$26,275.68,
due 36 mon inst., 43 acid tanks mounted on trailers,
- 501 CM 1-21-59 1-23-59 Glenn Alexander to Superior Mfg. Co., \$54,999.60,
due 60 equal inst., see orig for des of applicators & tanks,
- 3487 CM 6-11-59 7-3-59 Glenn Alexander to Superior Mfg. Co., \$27,484.92,
due 36 mon inst., see orig for des.
- 2624 CM 5-7-59 5-8-59 Glenn Alexander to Superior Mfg. Co., \$32,500.80,
due 60 mon inst., tanks and trailers - see orig.
- 6058 CM 11-16-60 11-16-60 Glenn Alexander to Superior Mfg. Co., \$50,760.00,
due mon inst., tanks mounted on trailers - see orig,
- 6423 CM 11-21-60 12-8-60 Glenn Alexander to Superior Mfg. Co., \$49,920.00,
due 48 inst., 64 - 1,000 gal. tanks mounted on trailers,
- 2468 CM 4-19-60 4-21-60 Glenn Alexander to Superior Mfg. Co., \$62,558.28,
due mon inst., 70 tanks - see orig for com des.
- 3486 Trsf of CM 6-10-59 7-3-59 Glenn Alexander to Billie Sol Estes Enterprises,
see orig. on file.
- 1729 CM 3-8-61 3-13-61 Glenn Alexander to Superior Mfg. Co., \$21,195.00,
due 353.25 mo.

5547 CM 10-10-60 10-12-60 [] to Lubbock Mach. & Sup. Co. Inc.,
\$70,526.40, due 60 mon inst., 100 tanks mounted on trailers - see orig,
5548 CM 10-10-60 10-12-60 [] to Lubbock Mach. & Sup. Co. Inc.,
\$120,900.00, due 60 mon inst., 170 tanks mounted on trailers - see orig,
6586 CM 11-26-60 12-19-60 [] to Superior Mfg. Co., \$37,800.00,
due 60 inst., 50 - 1,000 gal. tanks mounted on trailers,
5656 CM 10-12-60 10-21-60 [] to Lubbock Mach. & Sup. Co. Inc.,
\$41,600.40, due 60 inst., 59 tanks mounted on trailers,
2933 CM 5-13-60 5-16-60 [] to Superior Mfg. Co., \$30,025.00,
due mon inst., 60 solution tanks - see orig.
2866 CM 5-6-60 5-10-60 [] to Superior Mfg. Co., \$44,617.20,
due 60 mon inst., solution tanks only - see orig,
2867 CM 5-6-60 5-10-60 [] to Superior Mfg. Co., \$85,952.00,
due 60 mon inst., solution tanks - see orig.
1731 CM 3-8-61 3-13-61 [] to Superior Mfg. Co., Tanks, etc,
\$16,875.00 (281.25 mo.)

b6
b7c

652 CM 1-13-61 1-26-61 [] to Billie Sol Estes, \$7,800.00,
due 2 annual inst., 1 truck & 1 pickup - see orig for com des,
221 CM 1-9-61 1-12-61 [] to Superior Mfg, Co., \$83,160.00,
due 60 mon inst., 120 tanks mounted on trailers.
5745 CM 10-17-60 10-27-60 [] to Lubbock Mach. & Sup, Co, Inc.,
\$46,800.00, due 60 inst., 67 tanks mounted on trailers - see orig,
6456 CM 12-6-60 12-9-60 [] to Lubbock Mach. & Sup, Co, Inc.,
\$42,900.00, due 60 mon inst., 61 - 1,000 gal. tanks mounted on trailers,
6220 CM 11-4-60 11-26-60 [] to Superior Mfg, Co., \$18,225.00,
due 60 inst., 7 acid comb. applicators & 7 acid tanks - see orig,
749 CM 1-30-61 1-31-61 [] to Superior Mfg, Co., \$37,800.00,
due 36 mon inst., tanks w/trailers & etc - see orig for com, des,
5938 CM 11-4-60 11-9-60 [] to Lubbock Mach. & Sup, Co, Inc.,
\$33,800.40, due 60 mon inst., 48 - 1,000 gal. tanks mounted on trailers,
5636 CM 10-17-60 10-19-60 [] to Lubbock Mach. & Sup, Co, Inc.,
\$110,322.00, due 60 mon inst., 155 ammonia tanks mounted on trailers,
1732 CM 3-8-61 3-13-61 [] to Superior Mfg, Co. Tanks, etc,
\$25,380.00 (423.00 mo.)

b6
b7c

6057 CM 11-16-60 11-16-60 [redacted] to Superior Mfg, Co., \$76,464.00, due mon inst., tanks mounted on trailers - see orig, b6
5644 CM 10-19-60 10-20-60 [redacted] to Lubbock Mach, & Sup, b7C
Co., Inc., \$119,600.40, due 60 mon inst., 168 tanks - see orig,
5789 CM 10-19-60 10-31-60 [redacted] to Superior Mfg, Co.,
\$43,632.00, due 60 inst., 40 - 1,000 gal, tanks mounted on trailers,
5546 CM 10-10-60 10-1-60 [redacted] to Superior Mfg, Co.,
\$131,652.00, due 6 mon inst., 127 tanks mounted on trailers - see orig,
222 CM 1-9-61 1-12-61 [redacted] to Superior Mfg, Co.,
\$189,000.00, due 60 mon inst., 288 tanks mounted on trailers,
1246 CM 2-20-61 2-21-61 [redacted] to Superior Mfg, Co, Storage tanks,
\$27,576.00 (\$766 mo.)
1735 CM 3-8-61 3-13-60 [redacted] to Superior Mfg, Co,
Tanks, etc. \$16,200.00 (\$270 mo)

5092 CM 9-14-60 9-19-60 [redacted] to Lubbock Machine & Sup, Co, Inc., \$49,400.40, due 60 inst., 69 tanks - see orig for des. b6 b7C

5034 CM 9-14-60 9-15-60 [redacted] to Lubbock Mach. & Sup, Co, Inc., \$123,500.40, due 60 mon inst., 174 ammonia tanks mounted on trailers,

5450 CM 10-5-60 10-6-60 [redacted] to Lubbock Mach. & Supply Co, Inc., \$123,500.40, due 60 mon inst., 174 - 1,000 gal, tanks mount on trailers.

6221 CM 11-4-60 11-26-60 [redacted] to Superior Mfg, Co., \$15,729.84, due 36 inst., 15 solution tanks, 12 stainless steel pumps, 3 acid tanks & 5 trailers - see orig for com des,

279 CM 1-3-61 1-12-61 [redacted] to Lubbock Mach. & Sup, Co., Inc., \$29,028.24, due 36 inst., 45 tanks mounted on trailers,

747 CM 1-13-61 1-31-61 [redacted] to Superior Mfg, Co., \$12,048.00, due 24 mon inst., tanks & compressors - see orig,

5474 CM 10-3-60 10-7-60 [redacted] to Lubbock Mach. & Sup, Co, Inc., \$25,842.24, due 36 inst., 40 - 1,000 gal, tanks - see orig,

1728 CM 3-8-61 3-13-61 [redacted] to Superior Mfg, Co. Tanks, etc., \$21,195.00 (353.25 mo.)

6182 CM 11-18-60 11-23-60 [redacted] to Lubbock Mach. & Sup. Co, Inc., \$45,501.00, due 60 mon inst., 64 ammonia tanks mounted on trailers, b6
5809 CM 10-29-60 11-1-60 [redacted] to Lubbock Mach. & Sup. Co, Inc., b7C
\$15,600.00, due 60 mon inst., 22 - 1,000 gal. tanks mounted on trailers,
6457 CM 12-3-60 12-9-60 [redacted] to Lubbock Mach. & Sup. Co, Inc.,
\$57,200.40, due 60 mon inst., 81 - 1000 gal. tanks mounted on trailers,
5635 CM 10-17-60 10-19-60 [redacted] to Lubbock Mach. & Sup. Co,
Inc., \$33,540.00, due 60 mon inst., 47 ammonia tanks mounted on trailers,
6219 CM 11-4-60 11-26-60 [redacted] to Superior Mfg. Co., \$18,432.00,
due 48 inst., 17 acid tanks - see orig for com des,
1733 CM 3-8-61 3-13-61 [redacted] to Superior Mfg. Co, Tanks, etc,
\$13,500.00 (235.00 mo.)

10539 CM 12-12-60 [] to Lubbock Mach & Sup Co on equip
\$59,800.20 in 60 installs

b6
b7C

223 CM 1-10-61 1-12-61 [] to Superior Mfg, Co., \$189,000.00,
due 60 mon inst., 288 tanks mounted on trailers.

6587 CM 11-21-6- 12-19-60 [] to Superior Mfg, Co., \$32,640.00,
due 48 inst., 15 tanks & 15 applicators - see orig for com des.

6745 CM 12-12-60 12-29-60 [] to Lubbock Mach, & Sup, Co, Inc.,
\$59,800.20, due 60 inst., 84 - 1000 gal, ammonia tanks on trailers,

146 CM 1-3-61 1-9-61 [] to Superior Mfg, Co., \$29,160.00,
due 60 inst., trailers, applicators & etc - see orig for des,

66 CM 1-3-61 1-4-61 [] to Superior Mfg, Co., \$91,624.20,
due 60 mon inst., 75 NH3 tanks & 50 Acid Tanks all mounted on trailers,

1736 CM 3-8-61 3-13-61 [] to Superior Mfg, Co, Tanks, etc,
\$12,690.00 (211.50 mo.)

1838 CM 3-11-61 3-17-61 [] to Lubbock Machine & Supply Co.
Tanks \$46,800.00 (due \$780 mo.)

1002 CM 2-4-61 2-9-61 [] to Superior Mfg. Co., \$94,500.00,
due 60 mon inst., applicators & tanks - see orig.

b6
b7C

1809 CM 3-14-61 3-16-61 [] to Billie Sol Estes
All crops of any nature during 1961 on E/2 Sec 59 B1E 4 H&GN
\$26,640.00 (due 11-15-61)

1565 CM 3-3-61 3-6-61 [] to Superior Mfg. Co. Acid tanks,
etc. \$56,700.00 (due \$945 mo.)

1730 CM 3-8-61 3-13-61 [] to Superior Mfg. Co. Tanks, etc.,
\$21,195.00 (353.25 mo.)

1734 CM 3-6-61 3-13-61 [] to Superior Mfg. Co. Tanks, etc.,
\$41,040.00 (684.00 mo.)

1310 CM 2-22-61 2-23-61 [] to Superior Mfg. Co.,
Tanks \$94,248.00 (due 1,570.00 mo.)

1309 CM 2-22-61 2-23-61 [] to Superior Mfg. Co.,
Tanks, etc. \$96,276.60 (due 1,604.61 mo.)

1308 CM 2-22-61 2-23-61 [redacted] to Superior Mfg. Co, Tanks, etc.,
\$95,397.12 (\$1,589.95 mo.)

b6
b7c

1661 CM 3-7-61 3-9-61 [redacted] to Superior Mfg, Co,
Tanks, etc. \$94,500.00 (due \$1,575.00 mo.)

1662 CM 3-2-61 3-9-61 [redacted] to Superior Mfg. Co,
Tanks, etc. \$94,500.00 (due 1,575.00 mo.)

1663 CM 3-7-61 3-9-61 [redacted] to Superior Mfg, Co,
Tanks, etc. \$94,500.00 (due 1,575.00 mo.)

1664 CM 3-7-61 3-9-61 [redacted] to Superior Mfg, Co,
Tanks, etc. \$77,464.00 (due 1,291.08 mo.)

F B I

Date: 3/31/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI
FROM: SAC, EL PASO
RE: BILLIE SOL ESTES,
PECOS, TEXAS
FRA

ReBurad 3/31/61.

For information of Bureau, AUSA, El Paso, in Waco, Texas
for prolonged trial. Will not be available, El Paso, for pre-
sentation in accordance with Bureau instructions until 4/10/61.
No further action will be taken by El Paso until that date UACB.

CROSBY

3 - Bureau
1 - El Paso

JCS:sac
(4)

REC-16

29-28704-4
23 APR 3 1961

EX-112

SIX

50 APR 10 1961

Approved: TEC
Special Agent in Charge

Sent _____ M Per _____

G G Wick

May 5, 1961

Airtel

10425

To: SAC, El Paso (29-351)

From: Director, FBI ^{REC} 36(29-28704) 5

BILLIE SOL ESTES
FRA

Reurairtel 5/3/61 which requested advice as to whether further investigation in this matter is desired.

The mere fact that AUSA [] feels that allegations in this matter appear to be hearsay and nonspecific is not of itself sufficient reason for you to conduct no investigation in this matter. The Bureau notes that AUSA [] has indicated possible violations of Sections 1005 and 1014, Title 18, U. S. Code, and of the Mail Fraud Statute.

b6
b7C

The Bureau feels that you should make sufficient inquiry with regard to this matter so that you can discuss the facts with the United States Attorney and obtain from him a definite statement as to whether or not it represents a matter in which he would consider prosecutive action.

Accordingly, you are instructed to fully round out the facts of this complaint to a point where they can be discussed with AUSA [] and his prosecutive opinion obtained. The investigation which you suggested in reairtel seems logical. The Bureau points out, however, that any contacts had with Dan Smoot must be most circumspect and should be handled by two mature, experienced Agents.

Necessary investigation as indicated above should be handled immediately. The Bureau is to be kept promptly and currently advised of developments in this case.

Tolson _____
Parsons _____
Mohr _____
Belmont _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Tavel _____
Trotter _____
W.C. Sullivan _____
Tele. Room _____
Ingram _____
Gandy _____

LHB:jsb
(4)

MAIL ROOM ☐

TELETYPE UNIT ☐

58 MAY 11 1961

FBI

Date: 5/3/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, EL PASO (29-351)

RE: BILLIE SOL ESTES,
PECOS, TEXAS
FRA

ReBurad 3/31/61 and El Paso airtel 3/31/61.

The allegations contained in the material furnished to the El Paso Office under date of March 27, 1961 by DAN SMOOT, were discussed with AUSA [redacted] on April 21, 1961, and again on May 2, 1961.

[redacted] stated that in his opinion, the allegations constituted hearsay and were relatively non-specific in nature. He said that based on a careful analysis of the statutes, he felt that if true the allegations might constitute a violation of Section 1005, Title 18, (bank entries, reports, and transactions) in that it is alleged that certain bankers are knowingly cooperating in these transactions (with BILLIE SOL ESTES) and that [redacted] First National Bank in Pecos, Texas, are warned ahead of time when national bank examiners are due and as a result "cover up" their records of unsecured loans.

He also stated that the possibility exists that the allegations, if true, might constitute a violation of

P

3 - Bureau
1 - El Paso

REC-36

29-28184-5

14 MAY 8 1961

NOT X

JCS:clp

Approved: [Signature]

Sent

M

Per [Signature]

[Signature] G.D. Wick

Special Agent in Charge

b6
b7C

EP 29-351

Section 1014, Title 18, (loan and credit applications generally; renewals and discounts; crop insurance) in that BILLIE SOL ESTES submitted or caused to be submitted a document containing a false statement for the purpose of influencing the actions of various named institutions including a Federal Reserve Bank, in connection with the alleged fraudulent loans procured by him in connection with the sale of non-existent ammonia tanks to various farmers.

[redacted] stressed the fact, however, that as previously stated he felt the allegations to be hearsay and nonspecific and he did not feel that he would be justified at this stage in requesting investigation by the FBI.

b6
b7C

[redacted] also stated that in his opinion the allegations in this matter might possibly involve a violation of the Mail Fraud Statutes inasmuch as the use of the mails would probably be incidental in the execution of the alleged fraud.

The Bureau is requested to advise whether further investigation in this matter is desired in view of the opinion set forth above of Assistant United States Attorney [redacted]. No further action will be taken by El Paso pending receipt of this advice.

For the Bureau's further information in considering this matter, the fourteen-page enclosure which was not furnished to the Bureau consisted only of a listing of various mortgages involving BILLIE SOL ESTES and/or various companies allegedly his enterprises which are a matter of record at the Court House, Reeves County, Texas, of themselves, other than containing the number and location and date of the record, do not contain sufficient information in their present form to be of any value in arriving at any prosecutive decision in connection with the matter.

In the event the Bureau should desire further investigation, the following possibilities exist:

EP 29-351

DAN SMOOT could be approached for the purpose of revealing his source or sources in order that the source or sources could be interviewed in detail by Bureau Agents in an effort to obtain more specific details which would clearly point up the existence of a violation within our primary jurisdiction. The possibility also exists that a limited investigation could be undertaken with respect to the allegations concerning the number of ammonia tanks allegedly involved in certain mortgages in order to establish their existence or non-existence. It is believed that methods for obtaining this information could be devised so that the fact an investigation was being conducted into the affairs of BILLIE SOL ESTES and his affiliated companies need not be disclosed.

CROSBY

FBI

Date: 5/12/61

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Parsons	_____
Mr. Mohr	_____
Mr. Belmont	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Tavel	_____
Mr. Trotter	_____
Mr. W.C. Sullivan	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

TO: DIRECTOR, FBI (29-28704)

FROM: SAC, EL PASO (29-351)

SUBJECT: BILLIE SOL ESTES.
FRA

Reurairtel dated May 5, 1961.

Agents of the Dallas Office interviewed DAN SMOOT May 11, 1961 at which time he advised that he was unable to personally supplement information previously furnished by informant. SMOOT declined to identify informant stating informant prominent professional man without political ties who is "literally scared to death of ESTES". Out of presence of Bureau Agents, SMOOT telephonically contacted informant to determine if willing to reveal identity and submit to interview by FBI. Following phone call SMOOT advised Agents that informant has no reluctance to reveal information on a strictly confidential basis but prior to doing so intended to contact his attorney to ascertain elements of violation of Federal Reserve Act. Informant reportedly indicated that he would contact SAC FRANCIS E. CROSBY of the El Paso Office at a later date.

Inasmuch as it is not known whether or when informant will contact this office and make himself available for interview, the El Paso file is being placed in a pending inactive status at this time.

REC-41

CROSBY

16 MAY 16 1961

P*

3 - Bureau

1 - El Paso

JRM:st

(4)

C. G. Wick

EX 104

Approved: _____

Sent _____ M Per _____

63 MAY 19 1961 Special Agent in Charge

29-28704-7 IN THIS FILE SKIPPED DURING
SERIALIZATION.

#ina
5-21-62
D

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (29-28704)

DATE: 7/17/61

FROM : SAC, EL PASO (29-351)

SUBJECT: BILLIE SOL ESTES
FRA

Reurlet dated 7/11/61.

Enclosed herewith an original and three copies of a letterhead memorandum summarizing this matter.

The source furnishing the information set forth in the letterhead memorandum and not identified, is [redacted] Texas. [redacted] requested that his name be kept confidential.

b7D

The AUSA's opinion confirmed by letter dated 7/17/61.

C

2 - Bureau (Encls. 4)
1 - El Paso

JRM/bg
(3)

ENCLOSURE

1 cc Encl. removed
sent to Mr. Tolson.
5/24/62
TW:in

EX-107

10 JUL 20 1961

STA

56 JUL 26 1961



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

202 U. S. Court House
El Paso, Texas
July 17, 1961

In Reply, Please Refer to
File No.

RE: BILLIE SOL ESTES
PECOS, TEXAS
POSSIBLE FEDERAL RESERVE ACT

By letter dated March 27, 1961, DAN SMOOT, author of the Dan Smoot Report, P. O. Box 9611, Dallas 14, Texas, forwarded to the El Paso Office of the Federal Bureau of Investigation, a blind memorandum concerning activities of BILLIE SOL ESTES, and also a fourteen-page recital of chattel mortgage and deed of trust which, he said, were items of record in Reeves County, Texas, regarding transactions entered into by ESTES and various persons.

Mr. SMOOT's letter explains that the material set forth in the blind memorandum was sent to him anonymously. However, he knows the identity of the sender as a prominent Texan who had requested his name be kept confidential.

The informant alleges that ESTES has been able to obtain the cooperation of various cotton farmers in the Pecos area in furnishing ESTES with financial statements which far exceed the farmers' net worth, and also signed notes for loans based on the purchase of ammonia tanks. In return, ESTES gives the farmer a sum of cash for this favor. With these documents, ESTES discounts the notes at various banks and other lending-type institutions.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

*photo
Aggr. Dept of Agriculture
10-27-61
B.O.S. [initials]*

27-28-7
ENCLOSURE

The material received does not clearly indicate whether these notes are actually discounted or sold to a bank or perhaps placed as security for a loan to ESTES. The material fails to specifically involve an officer or employee of any bank.

On May 2, 1961, the allegations contained in the material received were discussed with Assistant United States Attorney [redacted] at El Paso. [redacted] stated that in his opinion the allegations constituted hearsay and were relatively non-specific in nature. He said that based on a careful analysis of the statutes, he felt that if true, the allegations might constitute a violation of either Section 1005 or 1014 of Title 18, United States Code.

b6
b7C

On May 11, 1961, Agents of the Dallas Federal Bureau of Investigation Office contacted DAN SMOOT with reference to this matter, and were advised that the informant had no reluctance to reveal information on a strictly confidential basis, but prior to doing so, wanted to contact his attorney to ascertain the elements outlined in the Federal Reserve Act.

On July 3, 1961, the informant furnishing the material to Mr. SMOOT personally appeared at the El Paso Federal Bureau of Investigation Office for interview. This informant stated that to his knowledge, the First National Bank of Pecos, Texas did not purchase any of the notes with the non-existent ammonia tanks listed as collateral but that ESTES did do business with this bank in the form of purchasing bank money orders which were used to make payments on loans obtained from Commercial Investment Trust (CIT) or Pioneer Finance of Texas. He indicated that field agents of both CIT and Pioneer Finance had been checking in the Pecos area recently in an effort to identify the ammonia tanks listed as collateral in the many notes held by them.

The informant explained that all of the information that he possessed was hearsay and that no information in

his possession indicated that false notes or false financing statements had been presented to or accepted by any government agency or bank, or that officers or employees of such institutions had knowledge of ESTES' activities in this regard.

On July 14, 1961, this matter was again discussed with Assistant United States Attorney [redacted] at El Paso, [redacted] stated that in the absence of information indicating that an officer or employee of a bank had knowledge of the apparent irregularities in the documents submitted, no violation of the Federal Reserve Act would exist.

b6
b7C

SAC, El Paso (29-351)

July 11, 1961

REC-94

29-28704-9
Director, FBI (29-28704)

EX 104

BILLIE SOL ESTES
FRA

Reurairtel dated 7/5/61.

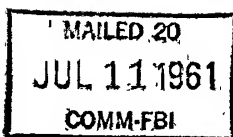
Immediately discuss this matter with the appropriate United States Attorney. Thereafter furnish letterhead memorandum summarizing this matter and setting forth United States Attorney's opinion.

In the absence of a specific recommendation to the contrary by the Dallas Office, the Bureau sees no reason to advise Dan Smoot of contact with the El Paso Office.

b7D

1 - Dallas

CB:eam
(5)



Tolson _____
Belmont _____
Mohr _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

FIVE
14 JUL 1961

MAIL ROOM ☒ TELETYPE UNIT ☐

F B I

Date: 7/5/61

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

TO: DIRECTOR, FBI (29-28704)

FROM: SAC, EL PASO (29-351)

RE: BILLIE SOL ESTES
FRA

Re El Paso airtel to Bureau dated 5/12/61.

At 11:00 AM on 7/3/61 [redacted] personally appeared ^{b7D} at the El Paso Office and satisfactorily identified himself as the person who was responsible for having furnished the information to DAN SMOOT which resulted in SMOOT's letter to the SAC, El Paso, copy to the SAC, Dallas, dated 3/27/61 and captioned BILLIE SOL ESTES, PECOS, TEXAS, NATIONAL BANK ACT.

[redacted] Senator RALPH YARBOROUGH [redacted] Senator YARBOROUGH had instructed BILLIE SOL ESTES, [redacted]

BILLIE SOL ESTES from various sources which included farmers, employees of the First National Bank at Pecos, a secretary in the office of BILLIE SOL ESTES [redacted]

[redacted] He did not wish at this time to specifically identify any of his own personal sources. The information received from these sources by [redacted] has led him to the conclusion that BILLIE SOL ESTES obtains funds which are used by him to construct new grain storage facilities elsewhere in Texas where grain is grown and stored and in other grain states in the U.S. in the following manner:


3 - Bureau
2 - Dallas

1 - El Paso
JCS:sac

Approved: _____ Sent _____ M Per _____
(6) Special Agent in Charge

REC-94

EX-104
JUL 12 1961
JUL 12 1961



He approaches an individual cotton farmer in the Pecos area and requests that he sign a financial statement and an application for a loan to purchase ammonia tanks to be used in fertilizing cotton from the Superior Manufacturing Co. of Amarillo, Texas. These statements and applications are then taken to the office of BILLIE SOL ESTES in Pecos, Texas, where they are completed by the insertion of figures in the financial statement which will justify a particular loan desired. For his part in the bargain, the individual farmer receives 10% of the face value of the note. The Superior Manufacturing Co. of Amarillo, Texas, then discounts this note with Commercial Investment Trust (CIT) or Pioneer Finance of Texas. The ammonia tanks are listed as collateral. [redacted] these tanks do not exist and the proceeds of the loan are made available to BILLIE SOL ESTES to be used for the building of grain storage facilities as indicated above through Superior Manufacturing Co. which the informant claims is a dummy company completely controlled by ESTES. He said that there are other dummy corporations known as the Texas Steel Co. of Pecos and Investment Associates of Lubbock, Texas, which are likewise controlled by ESTES. The Texas Steel Co. ostensibly was set up for the purpose of selling steel to the Superior Manufacturing Co. [redacted] it neither possesses raw or fabricated steel nor sells any, just as Superior Manufacturing Co. does not actually manufacture or sell ammonia tanks to the farmers. [redacted] was unable to explain the exact function of Investment Associates of Lubbock in the financial schemes of BILLIE SOL ESTES.

b7D

[redacted] said that the First National Bank of Pecos did not purchase any of the notes with the non-existent ammonia tanks as collateral but that ESTES did do business with this bank in the form of purchasing bank money orders which were used to make payments on the fictitious loans. [redacted] indicated that recently information had come to his attention that field agents of both CIT and Pioneer Finance had been checking in the Pecos area in an effort to identify the ammonia tanks listed as collateral in the many notes that they had purchased and that this fact had caused some concern to BILLIE SOL ESTES and had caused him to seek other means of refinancing the alleged fraudulent notes.

[redacted] said that all of the information that he possessed was hearsay and that no information in his possession indicated that false notes or false financial statements had been presented to or accepted by any of the organizations enumerated in Section 1014, T. 18 (loan and credit applications generally) or of those enumerated in Section 1005, T. 18 (bank entries, reports and transactions) all of which institutions are agencies or quasi agencies of the Federal Government, the Federal Reserve System, or Federal Deposit Insurance Corporation. He said as far as his information indicated the source of the funds was either CIT or Pioneer Finance. He said that because the Amarillo National Bank of Amarillo, Texas, was heavily involved in financial transactions with BILLIE SOL ESTES, the possibility existed that this bank may have purchased some of the notes but that this was only a supposition and not supported by any information, hearsay or otherwise.

b7D

[redacted] was advised that in the absence of information alleging the involvement of the Federal Government, any of its agencies or employees in connection with the above enumerated alleged fraudulent loan transactions, there did not appear to be any violation within the investigative jurisdiction of the FBI. He said that he now clearly understood this.

b7D

For the Bureau's further aid in evaluating information obtained from this informant the following is set forth:

He mentioned the name of [redacted] the Security State Bank of Pecos, and while he said that [redacted] was not in any way involved in the financial schemes of ESTES

b6
b7C
b7D

[redacted]
[redacted] U. S. Customs Agency Service in El Paso
[redacted]

When asked to explain if he knew of any logical reason why BILLIE SOL ESTES chose to use such a cumbersome scheme to obtain financing for the building of grain storage facilities when if construction of grain storage facilities was a good business he could undoubtedly obtain such financing in a direct

[redacted]
[redacted]
[redacted] and perfectly legal manner.

[redacted] advised that he would

b7D

[redacted] BILLIE SOL ESTES [redacted]

[redacted] BILLIE SOL ESTES

[redacted]
[redacted]
[redacted] BILLIE SOL ESTES, that ESTES [redacted]
[redacted]

At the conclusion of his interview in the El Paso Office, [redacted] said that he would consider determining, if possible, whether the Amarillo National Bank at Amarillo, Texas, might be involved in the acceptance of any of the fraudulent notes and if so he would pass this information on to the FBI.

It is suggested that the Bureau may wish to instruct the Dallas Office to recontact DAN SMOOT and discreetly advise him that his source of information had been in contact with the El Paso Office but that the transactions as outlined by [redacted] do not appear to constitute a Federal offense or an offense within the jurisdiction of the FBI and that [redacted] is fully cognizant of this fact and the reason therefor.

The above interview was conducted by me, ASAC JACK C. SPENCER, and SAA [redacted] At the outset of the interview I advised [redacted] his name would be kept completely confidential.

b6
b7C
b7D

This matter is being considered closed in the El Paso Office.

CROSBY

3/20/62

AIRTEL

TO: SAC, EL PASO (29-351)
FROM: DIRECTOR, FBI ^{REC-28} (29-28704) — 10
RE: BILLIE SOL ESTES
ITSP - MF

Re El Paso memorandum 3/12/62.

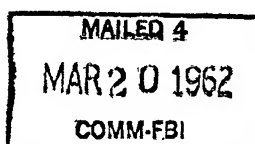
Since the AUSA's at El Paso have advised that a possible ITSP violation exists the Bureau feels that investigation should be initiated.

A careful analysis of the allegations should be made and the matter closely supervised to make certain that it does not branch out to cover unnecessary side issues. If a fraud exists it may well be the type of scheme where proof of one violation will reveal the fraudulent pattern and result in early prosecution.

Keep Bureau advised promptly of all pertinent developments, surep promptly with two copies to allow dissemination to the Department. Investigation should be expedited, and AUSA's followed for firm prosecutive opinion as soon as possible.

Buded for report 4/16/62.

TWC:imc
(4)



Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

MAIL ROOM ☒ TELETYPE UNIT ☐

F B I

Date: 3/12/62

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (29-28704)

FROM: SAC, EL PASO (29-351) (P)

SUBJECT: BILLIE SOL ESTES
ITSP
(OO - EL PASO)

Remylet dated 7/17/61, forwarding letterhead memo.

Enclosed herewith are an original and three copies of a letterhead memo setting forth information furnished by [redacted] Pecos, Texas, on 3/6/62.

A copy of this letterhead memo is being furnished the AUSA at El Paso by separate letter. AUSA [redacted] at El Paso has been advised that this matter is being referred by this means to the Bureau's Headquarters in Washington for possible referral to the Department of Justice, prior to initiating any investigation.

Section 1014, Title 18 (loan and credit applications generally) was also considered in this matter since National Banks were shown as the mortgagee or assignee in six instances. However, in view of the Department's recent view that the provisions of this section are not applicable to any bank which is a member of one of the Federal Reserve Banks, but applies only to a false statement made to one of the Federal Reserve Banks, no further consideration is being

- 3-Bureau (Encls. 3)
1-Dallas (Encl. 1)
1-Los Angeles (Info) (Encl. 1)
2-El Paso

JRM:cfp [initials]

Approved: [signature]

Special Agent in Charge

62 MAR 30 1962

Sent

M

Per

b6
b7C
b7D

REC-28

29-28704-10

13 MAR 1962

Ice Encl. Km 5732

EP 29-351

given. (See page 5 of Section 44, paragraph 3c(1), Manual of Instructions, revision dated 12/13/61.)

As AUSA [] indicated, it appears that subject's acts, if correctly explained by [] might very well constitute violations of Section 2314, Title 18, with regard to the Interstate Transportation of falsely made or forged chattel mortgages and notes. In an operation of this type, it would seem reasonable to assume that these securities would move in interstate commerce during the period they were being assigned to CIT or the Pacific Finance Company. Perhaps these concerns have local representatives in the West Texas area; however, they in turn may forward the papers on to their headquarters for approval. In this event, subject would have caused the interstate transportation of documents.

b6
b7C
b7D

It is requested that the Bureau review the enclosed memorandum, consider disseminating a copy to the Department for its views, and thereafter, advise El Paso of any observations, instructions, or suggestions the Department or the Bureau may care to make. In the interim, UACB, no investigation being initiated.

It is realized that an investigation of this matter would necessarily have to be narrowed down to proving a representative number of violations. Each Step of the investigation would be carefully planned and considered in order to streamline the investigation.

CROSBY



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

202 U. S. Court House
El Paso, Texas
March 12, 1962

BILLIE SOL ESTES
PECOS, TEXAS
INTERSTATE TRANSPORTATION OF STOLEN PROPERTY

On March 6, 1962, [redacted] Texas,
furnished the following information to Special Agent [redacted]
[redacted]

b6
b7C
b7D

BILLIE SOL ESTES is personally acquainted with Vice-President LYNDON JOHNSON, Senator RALPH YARBOROUGH, and various officials in the United States Department of Agriculture. He is about 35 years of age and resides in Pecos, Texas.

ESTES operates various business ventures through a considerable number of companies and corporations. One of his operations concerns the manufacture and sale of anhydrous ammonia tanks. Anhydrous ammonia is used as a fertilizer for growing cotton and other crops. It is put in the water used for irrigation purposes.

Since January, 1959, approximately \$34.5 million worth of these tanks have been mortgaged in eleven West Texas counties with Reeves County leading with nearly \$14.5 million in mortgages now filed. In addition to Reeves, the counties include Hale, Hudspeth, Lubbock, Deaf Smith, Pecos, Lamb, Hockley, Culberson, Dawson, and Potter. The total number of tanks represented by these mortgages exceeds 33,500 with Reeves County leading with more than 15,500.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

1 ENCLOSURE

29-28704-10

The above figures are not all inclusive. Due to the distances and time involved in verifying the recordings it has been nearly impossible to arrive at an accurate current record.

Information obtained from the Agriculture Stabilization and Conservation Service Office of the Department of Agriculture in Pecos on March 21, 1961, by complainant revealed the total cotton allotment in Reeves County to be 59,601.3 acres. This would require a maximum of 651.7 ammonia tanks, if every farmer bought completely new tanks at one time. Chattel Mortgages representing over 15,500 tanks are on file in Reeves County. If all these tanks were in Reeves County it would mean an ammonia tank for approximately every four acres of cotton. The number of tanks needed for fertilizing cotton vary depending upon the method used; however, two tanks per 150 acres is considered sufficient if the ammonia is put in the irrigation water. The allowable depreciation on a tank is based on a 10 year schedule.

[redacted] advised that the bulk of the Chattel Mortgages filed in this matter show various cotton farmers and other individuals as the Mortgagor. The Mortgagee is frequently noted to be the Superior Manufacturing Company, Amarillo, Texas (owned by ESTES) or one of his other companies. In many instances the mortgage on file contains an assignment to another of ESTES' companies or to a lending institution such as Commercial Investment Trust, Pioneer Finance of Texas, or Pacific Finance Company. In six instances the Mortgagee or Assignee is shown as a National Bank.

[redacted] stated that several of the farmers had been interviewed with reference to their names appearing as Mortgagor on these mortgages and the story received was as follows:

ESTES approaches the farmer requesting that he sign a Chattel Mortgage, note and a financial statement for the purpose of purchasing ammonia tanks. For this service

ESTES will give the farmer 10% of the face value of the note.] The signed papers received from the farmer are subsequently filled out at the offices of ESTES in Pecos. The farmer may never see the completed forms and therefore not have any idea as to the amount of the note or the number of tanks being purchased in his name. ESTES assures the farmer that he will not have any obligation under the contract and that he, ESTES, will handle all payments on the note.

[] contends that³ the ammonia tanks purchased in this manner are non-existent and the Chattel Mortgage and note bearing the farmers' signature are subsequently sold to one of several lending institutions.] The monies received by ESTES or one of his companies from the purchaser of this falsely made and in some instances forged paper, is used in his other business ventures and also to make the necessary monthly payment. When ESTES finds that he is running short of funds, he merely repeats the operation as he did recently in January, 1962, when four Chattel Mortgages were filed naming four different individuals as Mortgagor and the Superior Manufacturing Company in all instances as Mortgagee. These four mortgages totaled a little over \$1,245,000.00.

One of ESTES' other investments is in the grain storage field. He has reportedly constructed many grain elevators and has contracts with the Federal Government for the storage of surplus grain. [] said that in view of the apparent irregular acts on part of ESTES as outlined above, the question arises as to whether his dealings with the United States Department of Agriculture in the grain storage field are legitimate and without fraud.

[] stated that the Pacific Finance Company, Los Angeles, California, reportedly has about six million dollars worth of this paper representing ammonia tanks. Further, that [] for this company with offices at 621 South Hope Street, Los Angeles 17, California, was in Pecos recently checking into this matter. He said that [] with offices in the Republic National Building, Dallas, Texas, representing the Pacific Finance Company were also concerned and had made inquiries at Pecos as to the location of the chattels listed in the mortgages held by the company.

The Commercial Investment Trust Financial Corporation with main offices at 650 Madison Avenue, New York 22, New York are carrying a large amount of this paper, but ceased buying more of it about eight months ago, according to [redacted]

b6
b7C
b7D

[redacted] advised that [redacted] Holloway Associates, an organization advertised as being made up of former FBI Agents, with offices in the Meadows Building, Dallas, Texas, has made inquiries in this matter.

At the time of the interview, [redacted] made available a twenty-four page tabulation of chattel mortgages filed for record in the eleven counties covering ammonia tanks. This list is broken down alphabetically and by county. As an example, the first name on the list pertaining to mortgages recorded in Reeves County is GLENN ALEXANDER, Pecos, Texas. It reads as follows:

C/M No.	Date	Am't of C/M	No. of Tanks	C/M Held by or Issued to
3672	1/21/59	\$54,999.60	76	Superior Mfg. Co.
3673	1/21/59	94,720.00	145	"
4308	5/7/59	32,500.80	43	"
4458	6/4/59	26,275.68	43	"
4537	6/11/59	27,484.92	?	"
6120	3/25/60	18,880.20	20	"
6275	4/19/60	62,558.28	70	"
7314	11/16/60	50,760.00	50	Pacific Finance
7441	11/21/60	49,920.00	64	Pioneer
8184	3/8/61	21,195.00	25	"

C/M No.	Date	Am't of C/M	No. of Tanks	C/M Held by or Issued to
8511	4/24/61	31,776.00	40	Pacific Finance
6153	10/3/61	81,851.00	86	Gen'l Leasing of Ft. Wayne, Inc.
TOTALS		\$552,921.68	662	

[redacted]
[redacted]
[redacted]
[redacted] Texas. He said that records of chattel mortgages filed in Reeves County are checked periodically by employees of the credit bureau and the list was compiled from this source and also through examination of chattel mortgages filed in the remaining ten counties.

[redacted] charges are as follows:

1. Mr. ESTES is purchasing, with cash, from numerous farmers, their signature on various documents necessary in making up what appears to be a legitimate purchase of ammonia tanks. These documents include a chattel mortgage and note covering ammonia tanks believed to be non-existent in most instances.]
2. [These documents which are falsely made and in some instances represent forgeries are then discounted with various finance companies and in several instances banks. Money obtained in this manner believed to be used to make payments on various notes, to enter into new business ventures, and to provide working capital in existing ventures.]

On March 8, 1962, this matter was thoroughly discussed by Special Agent [redacted] with Assistant United States Attorneys [redacted] at El Paso, Texas. [redacted] stated Mr. ESTES' acts, if true, could be in violation of Section 2314, Title 18, United

States Code, in that they could possibly lead to the Interstate Transportation of falsely made, forged, or altered securities; to wit, chattel mortgages or notes. Also to be considered under this section would be the taking by fraud of property or things valued at \$5,000.00 or more and transporting same in interstate or foreign commerce.

[redacted] advised the Mail Fraud Statutes, Section 1341 and 1343 of Title 18, might also be considered in this matter.

b6
b7c

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Rosen

DATE: March 21, 1962

FROM : W. B. Welte

SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY

Tolson	_____
Belmont	_____
Mohr	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Malone	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

A complaint has been received through the El Paso Office that Estes controls many corporations in Texas and is perpetrating a large scale swindle.

The United States Attorney's Office at El Paso advised that violations of the Fraud by Wire, Interstate Transportation of Stolen Property or Mail Fraud Statutes might be involved.

ACTION:

1. The El Paso Office has been instructed to expedite the investigation.
2. The Department has been advised by separate memorandum.
3. Details of alleged scheme are set out below.

ALLEGATIONS:

The alleged scheme involves the manufacture and sale of anhydrous ammonia tanks. Anhydrous ammonia is used as a fertilizer and is put in the water used for irrigation. Since January, 1959, approximately \$34.5 million worth of these tanks have been mortgaged in eleven West Texas counties. The total number of tanks represented by these mortgages exceeds 33,500.

The subject approaches the farmer requesting that he sign a Chattel Mortgage, note and a financial statement for the purpose of purchasing ammonia tanks. For this service Estes will give the farmer 10% of the face value of the note. The signed papers received from the farmer are subsequently filled out at the offices of Estes in Pecos.

TWC:kak:mc
(5)

REC-28

MAR 23 1962

51 MAR 29 1962

Memorandum to Mr. Rosen
RE: BILLIE SOL ESTES

The farmer may never see the completed forms and therefore not have any idea as to the number of tanks being purchased in his name. Estes assures the farmer that he will not have any obligation under the contract and that he, Estes, will handle all payments on the note.

The complainant contends that the ammonia tanks purchased in this manner are non-existent and the Chattel Mortgage and note bearing the farmers' signature are subsequently sold to one of several lending institutions.

If the allegations are true Estes is purchasing, with cash, from numerous farmers, their signature on various documents necessary in making up what appears to be a legitimate purchase of ammonia tanks. These documents include a chattel mortgage and note covering ammonia tanks believed to be non-existent in most instances.

These documents, which are falsely made and in some instances represent forgeries, are then discounted with various finance companies and banks. Money obtained in this manner believed is then used to make payments on various notes, to enter into new business ventures, and to provide working capital in existing ventures. It is not clear whether the farmers have knowledge of the over-all scheme; this will have to be resolved by investigation.

SD

R

JRM

Wm

V.

Q

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (29-28704)
FROM : SAC, EL PASO (29-351)

Att.: Special Investigative Division

DATE: 3/29/62

Office of:

Origin: EL PASO

O.O. File No. _____
(If other than submitting office)

SUBJECT: BILLIE SOL ESTES - FUGITIVE;
ET AL

ITSP - MAIL FRAUD, CONSPIRACY

In order that a fugitive index card may be prepared without delay, the following information is furnished:

☐ Probation violator's warrant issued by USDC for District of _____, (date) _____

☒ Warrant issued by ☒ U. S. Commissioner ☐ Clerk, USDC at El Paso, Texas
(date) 3/29/62

Date probation violator or bond default case referred to office _____

Name and Aliases:

BILLIE SOL ESTES

FBI.#

Other Identifying #

Offense Charged: Conspiracy to violate provisions of the ITSP statute

Title 18, U. S. Code, Sections 371 and 2314

If an indictment or information is outstanding specify which, giving date and place of issuance: _____

Description

Sex <input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	Race White	Complexion	Age 37	Birth date	Birthplace Callahan Co., Texas
Height	Weight	Build	Hair	Eyes	Residence Pecos, Texas
Nationality U.S. Citizen		Marital status Married		Caution statement (where applicable)	
Scars, marks and other identifying remarks					
Occupation Farmer and industrialist					

1 - Bureau
1 - El Paso
JCS/clp (2)

REC-38

FUG. SUP.

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI
(29-28704)

Att.: Special Investigative Division

DATE: 3/29/62

Office of

Origin: El Paso

FROM: SAC, EL PASO (29-351)

O.O. File No. _____
(If other than submitting office)

SUBJECT: BILLIE SOL ESTES - FUGITIVE;
ET AL

ITSP - MAIL FRAUD, CONSPIRACY

In order that a fugitive index card may be prepared without delay, the following information is furnished:

☐ Probation violator's warrant issued by USDC for District of _____, (date) _____

☒ Warrant issued by ☒ U. S. Commissioner ☐ Clerk, USDC at El Paso, Texas, (date) 3/29/62

Date probation violator or bond default case referred to office _____

Name and Aliases: _____ FBI # _____

RUEL ALEXANDER

Other Identifying # _____

Offense Charged: Conspiracy to violate provisions of the ITSP Statute

Title 18, U. S. Code, Sections 371 and 2314

If an indictment or information is outstanding specify which, giving date and place of issuance: _____

Description

Sex <input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	Race	Complexion	Age 36	Birth date 7/5/25	Birthplace Dodson, Texas
Height	Weight	Build	Hair	Eyes	Residence 3428 Marion St., Amarillo, Texas
Nationality U.S. Citizen		Marital status Married		Caution statement (where applicable)	
Scars, marks and other identifying marks					
Occupation Business executive					

REC-37

MCT-41

13 APR 2 1962

FILED SUP.

1 - Bureau
1 - El Paso
JCS/clp
(2)

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI

Att.: Special Investigative Division

DATE: 3/29/62

(29-28704)

Office of El Paso

Origin:

FROM : SAC, EL PASO (29-351)

O.O. File No. _____
(If other than submitting office)

SUBJECT: BILLIE SOL ESTES - FUGITIVE;
ET AL

ITSP - MAIL FRAUD, CONSPIRACY

In order that a fugitive index card may be prepared without delay, the following information is furnished:

☐ Probation violator's warrant issued by USDC for District of _____, (date) _____

☒ Warrant issued by ☒ U. S. Commissioner ☐ Clerk, USDC at El Paso, Texas, (date) 3/29/62

Date probation violator or bond default case referred to office _____

Name and Aliases:

HAROLD ORR

FBI #

Other Identifying #

Offense Charged: Conspiracy to violate provisions of the ITSP Statute

Title 18, U. S. Code, Section 371 and 2314

If an indictment or information is outstanding specify which, giving date and place of issuance: _____

Description

Sex <input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	Race <u>White</u>	Complexion	Age <u>31</u>	Birth date <u>11/12/30</u>	Birthplace <u>Corum, Oklahoma</u>
Height	Weight	Build	Hair	Eyes	Residence <u>3403 Sunlite, Amarillo, Texas</u>
Nationality <u>U. S. Citizen</u>		Marital status <u>Married</u>		Caution statement (where applicable) <u>29-28704-14</u>	
Scars, marks and other identifying features <u>REC-41</u> <u>13 APR 2 1962</u>					
Occupation <u>Business executive</u>					

1 - Bureau

1 - El Paso

57 APR 14 1962

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (29-28704) Att.: Special Investigative Division

DATE: 3/29/62

Office of

Origin: El Paso

FROM: SAC, EL PASO (29-351)

O.O. File No. _____
(If other than submitting office)

SUBJECT: BILLIE SOL ESTES - FUGITIVE;
ET AL

ITSP - MAIL FRAUD, CONSPIRACY

In order that a fugitive index card may be prepared without delay, the following information is furnished:

☐ Probation violator's warrant issued by USDC for District of _____, (date) _____

☒ Warrant issued by ☒ U. S. Commissioner ☐ Clerk, USDC at El Paso, Texas, (date) 3/29/62

Date probation violator or bond default case referred to office _____

Name and Aliases:

COLEMAN S. MC SPADDEN

FBI #

Other Identifying #

Offense Charged: Conspiracy to violate provisions of the ITSP Statute

Title 18, U. S. Code, Sections 371 and 2314

If an indictment or information is outstanding specify which, giving date and place of issuance: _____

Description

Sex <input checked="" type="checkbox"/> Male <input type="checkbox"/> Female	Race <u>White</u>	Complexion	Age <u>45</u>	Birth date <u>3/4/17</u>	Birthplace <u>Abernathy, Texas</u>
Height	Weight	Build	Hair	Eyes	Residence <u>4909 19th St., Lubbock, Texas</u>
Nationality <u>U. S. Citizen</u>	Marital status <u>Married</u>	Caution statement (where applicable) <u>4 29-28704-15</u>			
Scars, marks and other identifying features <u>26 CIVIL</u> <u>REC-41</u> <u>13 APR 2 1962</u>					
Occupation <u>Business executive</u> <u>1 Bureau</u> <u>57 APR 4 1962</u> <u>APR/cip</u> <u>(2)</u>					

3/29/62

PLAIN TEXT

TELETYPE

URGENT

TO SACS EL PASO
DALLAS
FROM DIRECTOR, FBI
BILLIE SOL ESTES, ET AL, ITSP, MAIL FRAUD, CONSPIRACY.

RE DALLAS TELETYPE MARCH TWENTYNINE, LAST. EL PASO
AND DALLAS IMMEDIATELY TAKE NECESSARY ACTION WITH APPROPRIATE
U. S. ATTORNEYS TO PROTECT AND OBTAIN BOOKS AND RECORDS
NEEDED FOR INVESTIGATION.

INTERESTED U. S. ATTORNEYS SHOULD BE COMPLETELY
ADVISED AS TO THE DANGER OF SUBJECTS FLEEING TO FOREIGN
COUNTRIES. IT CAN BE POINTED OUT THAT IN MAJORITY OF INSTANCES
WE HAVE NO EXTRADITION FOR INTERSTATE TRANSPORTATION OF
STOLEN PROPERTY.

BUREAU SUGGESTS THAT CASE BE AIMED AT EARLY
ESTABLISHMENT OF SUFFICIENT EVIDENCE TO OBTAIN PROCESS IN
ORDER TO HOLD SUBJECTS PENDING DEVELOPMENT OF OVER-ALL
SCHEME.

REC-37

29-28704-16

KEEP BUREAU ADVISED OF PERTINENT DEVELOPMENTS.

Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

TWC:jh

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAR 29 1962

TELETYPE

MAIL ROOM ☐ TELETYPE UNIT ☒



MAR 30 1962

b6
b7C

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Belmont

DATE: March 29, 1962

FROM : A. Rosen

SUBJECT: BILLIE SOL ESTES;
 COLEMAN S. MC SPADDEN;
 HAROLD ORR;
 RUEI ALEXANDER.
 INTERSTATE TRANSPORTATION OF
 STOLEN PROPERTY

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

This is to advise that SAC Crosby has reported that the facts in this case have been discussed with the United States Attorney at El Paso, Texas, and that he has authorized prosecution of all four subjects for Interstate Transportation of Stolen Property (Title 18, Section 2314) and Conspiracy (Title 18, Section 2) in that the four subjects conspired to transport a \$78,000 chattel mortgage, which they knew to be fraudulent, from Texas to the Pacific Finance Company in California.

Process will be filed in El Paso, Texas. Estes is believed to be in the Pecos, Texas, area and Agents are endeavoring to locate him at this time. The other three subjects are in the vicinity of Amarillo in the Dallas Territory and Dallas is endeavoring to locate them at this time.

An effort will be made to apprehend all four subjects once process has been secured.

In addition, a Subpoena Duces Tecum [redacted]

b3
b7D

The facts of this case have been brought to the attention of the Crime Records Division by SAC Crosby, El Paso. This matter is receiving expedite and close attention. You will be advised of pertinent developments.

1 - Crime Records Division REC-44

WBW:kwb

(7)

11 APR 3 1962

3 APR 4 1962

EX-109

EX-109

1 - Mr. Belmont
1 - Mr. Rosen
1 - Mr. Malley
1 - Mr. Welte
1 - Mr. Curran

March 30, 1962

MCT - 22

REC- 32

The Attorney General

Director, FBI

BILLIE SOL ESTES; COLMAN S. MOSPADERN;
HAROLD ORR; RUEL ALEXANDER

INTERSTATE TRANSPORTATION OF STOLEN PROPERTY

This is to advise of the arrest of the captioned four subjects by Bureau Agents for a swindle which will allegedly amount to more than twenty million dollars. Estes allegedly is personally acquainted with Vice President Lyndon Johnson, Senator Ralph Yarborough and officials in the United States Department of Agriculture.

The scheme involves the manufacture and sale of non-existent anhydrous ammonia tanks. Anhydrous ammonia is a fertilizer put in water used for irrigation. Chattel mortgages covering the nonexistent anhydrous ammonia tanks and notes in payment thereof were fraudulently prepared and subsequently discounted with finance companies, some of which were outside the State of Texas. Estes was arrested by Bureau Agents on March 29, 1962, at Pecos, Texas, and is being held under \$250,000 bond. The other three subjects were arrested at Lubbock and Amarillo, Texas, and are being held in lieu of \$250,000 bond.

Prosecution has been authorized on the basis that the subjects did with unlawful and fraudulent intent transport in interstate commerce falsely made securities. The securities are chattel mortgages and promissory notes on nonexistent anhydrous ammonia tanks which were subsequently discounted with finance companies.

It is interesting to note that Estes, who is thirty-seven years old, in 1953 was named among the five outstanding young men by the Texas Junior Chamber of Commerce, and in 1954 was in that organization's "Top Ten" young men in the nation.

RECEIVED - 107222

Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

1 - The Deputy Attorney General
1 - Mr. Herbert J. Miller, Jr.
Assistant Attorney General

See memo same caption Welte to Rosen,
8/29/62, TWC:kak.

TELETYPE UNIT ☐

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Rosen *Bern*

DATE: March 29, 1962

FROM : W. B. Welte *Wcy*SUBJECT: BILLIE SOL ESTES
COLEMAN S. McSPADDEN
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY

Tolson	
DeLoach	
Mohr	
Callahan	
Conrad	
Felt	
Gale	
Rosen	
Sullivan	
Tavel	
Trotter	
Tele. Room	
Holmes	
Gandy	

3-7
6-11-62

This investigation was initiated on the basis of Bureau instructions on March 20, 1962. It involves a large scale swindle and allegation that the subject Estes is personally acquainted with Vice President Lyndon Johnson, Senator Ralph Yarborough and Officials in the United States Department of Agriculture. This is to advise that it appears through investigation that a fraud in excess of \$22 million has been perpetrated by Estes and his associates.

Subjects Estes and McSpadden have made important admissions during meetings instituted by victimized finance companies. The scheme involves the manufacture and sale of anhydrous ammonia tanks. Anhydrous ammonia is a fertilizer put in water used for irrigation. Estes and McSpadden have admitted that contracts involving ammonia tanks sold to finance companies in excess of \$22 million are completely fraudulent.

A finance company attorney has advised that Estes exercises considerable influence in the Democratic Party, is personal friend of Vice President Johnson, Senator Yarborough and Officials in the Department of Agriculture. He states that Estes holds a current visa to Brazil and intends to flee if legal action taken. He also states McSpadden has threatened to burn all records.

ACTION TAKEN:

Offices involved have been instructed to keep United States Attorneys completely advised as to the danger of subject's flight and/or destroying records. Instructions issued to take all possible steps to protect and obtain the records. It is pointed out that the case should be aimed at an early establishment of sufficient evidence to obtain process to hold subjects pending development of the extensive investigation of the over-all operation.

TWC:kak

(6)

1- AG - Deputy AG
1- AAG - Miller
3/30/62 TWC

REC-32

29-2870-18

25 APR 3 1962

Memorandum to Mr. Rosen
RE: BILLIE SOL ESTES

SCHEME INVOLVED:

Estes would supply farmers and ranchers in West Texas with anhydrous ammonia for fertilizer at or below cost and subsequently purchased all grain harvested from these farmers for resale to the Government and ultimately for storage for the Government in grain elevators owned by Estes. He devised this scheme in order to use the proceeds in expansion of the grain storage facilities.

Farmers would be contacted with the story that Estes needed an unlimited number of ammonia tanks but for tax purposes could not purchase them himself. He proposed that the farmer purchase the tanks and rent them to Estes under a lease arrangement. Estes would accept delivery of the tanks, provide farmers with required monthly installment due under contract and provide the farmer with a letter guaranteeing the farmer would not be responsible. For participating in this action the farmer would be paid ten per cent of the contract. The fraudulent contracts were then discounted with the finance company with fictitious serial numbers recorded on the documents purportedly representing ammonia tanks covered which were, of course, nonexistent.

4 Wm GRC
J V.
- 2 -

Suggest
memo to all
ret al

3/29

yes
K

3/30/62
R1 100112

For Informational Purposes Only

The originals removed from this file and replaced with duplicate copies of the original were accessioned to the National Archives and Records Administration (NARA) pursuant to the JFK Records Collection Act of 1992. Provision of the JFK Act allowed for certain information to be postponed from public release until the year 2017; therefore, the pages have NOT necessarily been released for public review in their entirety.

Under the JFK Act, originals to all material deemed assassination records must be accessioned to NARA regardless of whether the material is open in full or released with information postponed. Therefore, any documents or pages from FBI files accessioned to NARA pursuant to the JFK Act are no longer considered the possession of the FBI. The duplicate pages have been inserted strictly for research purposes.

The copies contained herein do not necessarily show the most up-to-date classification.

To attain a copy of the publicly released version of any materials maintained in the JFK Collection at the NARA Facility in College Park, MD, you may contact the JFK Access Staff, at 301/713-6620.

The following materials were removed from this file and are maintained in the JFK Collection at NARA:

File & Serial Number

JFK Subject Identifier
(for NARA purposes)

Additional Request # 419

29-28704-19

Billy Sol Estes

For Informational Purposes Only

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Belmont *als*

DATE: March 30, 1962

FROM : A. Rosen *ARM*SUBJECT: BILLIE SOL ESTES; COLEMAN S. McSPADDEN;
HAROLD ORR; RUEL ALEXANDER; INTERSTATE
TRANSPORTATION OF STOLEN PROPERTY

Tolson	_____
Belmont	_____
Mohr	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Malone	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

This is to advise of the arrest of the captioned four subjects by Bureau Agents. The case involves a swindle, the proceeds of which will run well over \$20 million perpetrated by Estes and his associates. Estes allegedly is personally acquainted with Vice President Johnson, Senator Yarborough and Officials of the United States Department of Agriculture.

Estes was arrested by Bureau Agents on 3/29/62 in ^{PECAS} Texas and is being held under \$500,000 bond. McSpadden, Alexander and Orr were arrested by Bureau Agents and are being held in lieu of \$250,000 bond. *IN TEXAS ON 3-29-62.*

ACTION BEING TAKEN:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] a letter to the Attorney General is being prepared.

BACKGROUND:

This investigation was initiated on the basis of Bureau instructions on March 20, 1962. Subjects Estes and McSpadden admitted during meetings instituted by victimized finance companies that they had perpetrated a fraud in excess of \$22 million. The fraudulent scheme involves the manufacture and sale of anhydrous ammonia (fertilizer) tanks. Estes claimed to hold a current visa to Brazil and stated he would flee if legal action taken. McSpadden threatened to burn all records.

The field office was instructed to secure immediate process against the subjects and the records. This was done. The prosecution was authorized on the basis that the subjects did with unlawful fraudulent intent transport in interstate commerce falsely made securities (Chattel Mortgages and promissory notes) on nonexistent

TWC:kak

(9) 63 APR 6 1962 REC-39

12 APR 3 1962

ORIGINAL DOCUMENT SENT TO
NATIONAL ARCHIVES (JFKARCA)

DATE 5-14-98 FBI-47 Billie Sol Estes

Memorandum to Mr. Belmont
RE: BILLIE SOL ESTES

anhydrous ammonia tanks which were subsequently discounted.

Estes, who is 37 years old, in 1953 was named among the five outstanding young men by the Texas Junior Chamber of Commerce and in 1954, was on that organization "Top Ten" young men in the nation.

ABF

RAM

TC WRW

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAR 30 1962

TELETYPE

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

URGENT E30-62 XXX 3-30-62 10-08 PM CST FLL

TO DIRECTOR, FBI /29-28704/ AND SAC EL PASO /29-351/

ATTN. GENERAL INVESTIGATIVE DIV. AND CRIME RECORDS DIV.

FROM SAC DALLAS /29-1096/ 1P

BILLIE SOL ESTES, FUG.

COLEMAN DELBERT MC SPADDEN, FUG. -

HAROLD EUGENE ORR, FUG. - RUEL WADE ALEXANDER, FUG., ITSP, MAIL

FRAUD, CONSPIRACY. ^{Office of Origin} 00-EP.

RE DL TEL TODAY.

Assistant United States Attorney

USC, LUBBOCK, TEXAS ADVISED AUSA EL PASO HAD APPROVED BOND

OF SUBJ MC SPADDEN BE REDUCED TO TWENTYFIVE THOUSAND DOLLARS
AND USC ADVISED SUBJ BEING RELEASED ON TWENTYFIVE THOUSAND DOLLAR BOND
TONIGHT.

END AND ACK

WA 11-11 PM OK FBI WA BH

EP OK FBI EP DRH

TU DISCV

CC-MR. ROSEN ^{Mr. DeLoach} DEPT OF JUSTICE

REC-3

EX 100

MR. BELMONT FOR THE DIRECTOR

62 APR 9 1962

F460

29-28704-20

10 APR 28 1962

APR 5 10 52 AM '62

12 APR 12 1962
FBI

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 1 1962

TELETYPE

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

URGENT 4-1-62 7-36 PM MST DRH

TO DIRECTOR FBI "29-28704" AND SAC DALLAS "29-1096"
FROM SAC EL PASO "29-351" 2 PAGE

BILLIE SOL ESTES, FUG, ET AL, ITSP, MAIL FRAUD, CONSPIRACY. OO
EL PASO.

REMYTEL MARCH THIRTY LAST.

DAILY SUMMARY.

AUSA HERE IS PREPARING INDICTMENT NOW CHARGING CONSPIRACY AND
PRIMARILY FIRST PARAGRAPH OF ITSP STATUTE. CASE WILL BEGIN TO GO TO
GRAND JURY [REDACTED]

ONE [REDACTED] ESTES [REDACTED] DECLINED TO BE INTERVIEWED
IN DETAIL, BUT ADMITTED THAT THERE WERE NO ANHYDROUS AMMONIA TANKS
TO HIS KNOWLEDGE AT THE TIME HE WROTE [REDACTED]
THAT HE HAD RECIEVED ONE HUNDRED TANKS FOR HIM.

[REDACTED] INTERVIEWED TO DATE HAVE EXPRESSED WILLINGNESS TO APPEAR,
BEFORE GRAND JURY HERE. [REDACTED]

[REDACTED] GRAND
JURY. [REDACTED]

[REDACTED] TOMORROW.
RECORDS OF BILLIE SOL ESTES IN OUR POSSESSION CONTAIN EXTENSIVE EVIDENCE
OF THE BASIC CONSPIRACY. ESTES HAS DECLINED TO BE INTERVIEWED. HE
APPARENTLY IS CONFIDENT HE CAN SECURE REDUCTION IN FIVE HUNDRED

END PAGE ONE

53 APR 10 1962

PAGE TWO

THOUSAND DOLLAR BAIL IN SPITE OF TESTIMONY RE HIS INTENTION TO
FLEE.

BUREAU WILL BE KEPT ADVISED.

END AND ACK PLS.

WA 9-3// 9-43 PM OK FBI WA RAM

DL SS OK FBI DL TEW

TU DISVCT

CC-MR. ROSEN

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAR 30 1962

TELETYPE

Mr. Tolson	
Mr. Belmont	
Mr. Mohr	
Mr. Callahan	
Mr. Conrad	
Mr. DeLoach	
Mr. Evans	
Mr. Malone	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

URGENT 3-30-62 12-18 PM MST JRH

TO - DIRECTOR, FBI "29-28704" AND SAC, DALLAS "29-1096"
FROM- SAC, EL PASO "29-351" *3-29-62*
BILLIE SOL ESTES DASH FUGITIVE - COLEMAN S. MC SPADDEN DASH
FUGITIVE - HAROLD ORR DASH FUGITIVE - RUEL ALEXANDER DASH
FUGITIVE, ITSP DASH MAIL FRAUD, CONSPIRACY. OO - EL PASO.

RE EL PASO TELETYPES TO THE BUREAU AND DALLAS DATED
MARCH TWENTY NINE LAST AND DALLAS TELETYPES TO THE BUREAU AND
EL PASO DATED MARCH TWENTY NINE LAST.

THE WORD FUGITIVE INADVERTENTLY OMITTED FROM EL PASO
TELETYPE TO THE BUREAU AND DALLAS REPORTING FILING OF CON-
SPIRACY COMPLAINT. FUGITIVE FORM LETTERS WERE PREPARED FOR
FORWARDING MARCH TWENTY NINE LAST. *INFORMATION* ALSO RE-
CEIVED FROM *[redacted]*

IN THIS MATTER, *K*

[redacted]
BUREAU AND DALLAS REQUESTED *TO BE* FUGITIVE TO

EACH SUBJECT IN THIS CASE UNTIL AFTER APPREHENSION REPORTS

END PAGE ONE

60 APR 10 1962

EX-102

FBI

Fugitive

b7D

PAGE TWO

ARE PREPARED AND FORWARDED AND TO ADD FOREGOING

b7D

TO ALL FUTURE COMMUNICATIONS.

END AND ACK PLS

WA. 2-23 PM OK FBI WA MSL

DL OK FBI DL EEA

TU DISCTVV

CC-MR. ROSEN

Current advised 3:56 am

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAR 3 11962

TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

W. J. G.

URGENT 3-31-62 10-40 AM CST TEW

TO DIRECTOR, FBI /29-28704/, ATTN- GENERAL INVESTIGATIVE
DIVISION AND CRIME RECORD DIVISION, AND SAC, EL PASO /29-351/
FROM SAC DALLAS 29-1096

BILLIE SOL ESTES, FUGITIVE. COLEMAN DELBERT MC SPADDEN, FUGITIVE.
HAROLD EUGENE ORR, FUGITIVE. RUEL WADE ALEXANDER, FUGITIVE, ITSP,
MAIL FRAUD, CONSPIRACY. OO EP. RE DALLAS TEL MARCH THIRTY.

BONDS ON ALEXANDER AND ORR REDUCED TO TWENTYFIVE THOUSAND DOLLARS
EACH ON AUTHORIZATION AUSA [REDACTED] WDT, EL PASO. SUBJECTS
ALEXANDER AND ORR RELEASED ON TWENTYFIVE THOUSAND DOLLAR BOND EACH AT
APPROXIMATELY NINE ZERO FIVE AM THIS DATE.

ATTORNEY GENERAL, STATE OF TEXAS, WILL WILSON, APPEARED AMARILLO
RA TODAY AND INDICATED STATE OF TEXAS INTEREST IN ESTES CASE AND
ADVISED HIS INVESTIGATORS WORKING IN WESTERN SECTOR OF TEXAS.

[REDACTED]

END AND ACK IN ORDER PLS
ESUKK WA 11-44 AM OK FBI WA MSL
EP ZOK FBI EP TBW
TU BOTH M

REC-28

29-28704-23

10 APR 3 1962

EX-113

[Signature]

FY60
57 APR 9 1962

CC - Evans

b6
b7C

b7D

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAR 29 1962

TELETYPE

Mr. Tolson
Mr. Belmont
Mr. Mohr
Mr. Callahan
Mr. Conrad
Mr. DeLoach
Mr. Evans
Mr. Malone
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

URGENT 3-29-62 6-40 PM MST RAR

TO DIRECTOR, FBI /29-28704/ AND SAC, DALLAS /29-1096/
FROM SAC, EL PASO /29-351/ 4 P

BILLIE SOL ESTES, COLEMAN D. MC SPADDEN, HAROLD ORR, RUEL ALEXANDER,
ITSP - MF, CONSPIRACY. OO EL PASO .

b6
b7c

REMY CONVERSATION WITH MR. WILLIAM WELTE AT THE BUREAU FIVE PM,
MARCH TWENTYNINE LAST. FOLLOWING IS THE TEXT OF COMPLAINT AUTHORIZED
BY AUSA [REDACTED] AND FILED BEFORE ACTING USG [REDACTED]
AT EL PASO, WDT, BY [REDACTED] AT FOUR THIRTY PM TODAY.
"BILLIE SOL ESTES, HAROLD ORR, RUEL ALEXANDER, COLEMAN MC SPADDEN,
AND SUPERIOR MANUFACTURING CO. VIOLATED TITLE EIGHTEEN, SECTION
THREE SEVEN ONE, IN THAT COMMENCING ON OR ABOUT JANUARY ONE, NINETEEN
FIFTYNINE, AND CONTINUING THEREAFTER UNTIL ON OR ABOUT JANUARY THIRTY
ONE, NINETEEN SIXTYTWO, IN THE EL PASO DIVISION OF THE U.S. DISTRICT
COURT FOR THE WESTERN DISTRICT OF TEXAS, BILLIE SOL ESTES, ET. AL.,
DID CONSPIRE, WITH UNLAWFUL AND FRAUDULENT INTENT, TO TRANSPORT AND
CAUSE TO BE TRANSPORTED, IN INTERSTATE COMMERCE, FALSELY MADE, FORGED,
ALTERED, AND COUNTERFEITED SECURITIES, KNOWING THE SAME TO HAVE BEEN
FALSELY MADE, ALTERED, COUNTERFEITED, TO WIT, CHATTEL MORTGAGES AND

END PAGE ONE

58 APR 9 1962 F460

EX 100
MR. BELMONT FOR THE DIRECTOR

12 APR 4 1962

PAGE TWO

PROMISSORY NOTES, EXECUTED BY PERSONS PURPORTEDLY PURCHASING OR LEASING NON-EXISTENT ANHYDROUS AMMONIA TANKS, WHICH WERE SUBSEQUENTLY DISCOUNTED AND TRANSPORTED AND CAUSE TO BE TRANSPORTED, FROM HUDSPETH COUNTY, TEXAS, TO THE PACIFIC FINANCE COMPANY, LOS ANGELES, CALIFORNIA, IN VIOLATION OF SECTION TWENTYTHREE FOURTEEN, TITLE EIGHTEEN, UNITED STATES CODE,^{b6} AND THAT TO EFFECT THE OBJECT OF THEIR SAID CONSPIRACY THEY DID THE^{b7C} FOLLOWING ACTS, ONE. ON OR ABOUT OCTOBER THIRTEEN, NINETEEN SIXTYONE, THE SUPERIOR MANUFACTURING COMPANY PURPORTEDLY SOLD ONE HUNDRED ONE THOUSAND GALLON ANHYDROUS AMMONIA TANKS TO [REDACTED] SIERRA BLANCA, HUDSPETH COUNTY, TEXAS, [REDACTED] SIGNED A PROMISSORY NOTE TO THE SUPERIOR MANUFACTURING COMPANY IN THE AMOUNT OF APPROXIMATELY [REDACTED]

"TWO. ON OR ABOUT OCTOBER SIXTEEN, NINETEEN SIXTYONE, A CHATTEL MORTGAGE PURPORTEDLY ON THE ABOVE ONE HUNDRED ONE THOUSAND GALLON ANHYDROUS AMMONIA TANKS WAS SIGNED BY [REDACTED] IN FAVOR OF SUPERIOR MANUFACTURING COMPANY AND SAID CHATTEL MORTGAGE WAS FILED WITH THE COUNTY CLERK OF HUDSPETH COUNTY, TEXAS.

"THREE. ON OR ABOUT OCTOBER TWENTYFIVE, NINETEEN SIXTYONE, HAROLD E. ORR, THEN VICE-PRESIDENT OF THE SUPERIOR MANUFACTURING COMPANY, EXECUTED AN ASSIGNMENT OF SAID CHATTEL MORTGAGE AND THE NOTE
END PAGE TWO

PAGE THREE

MENTIONED IN OVERT ACT NUMBER TWO TO THE PACIFIC FINANCE COMPANY, LOS ANGELES, CALIFORNIA.

"FOUR. ON OR ABOUT OCTOBER SIXTEEN, NINETEEN SIXTYONE, THE ABOVE MENTIONED PROMISSORY NOTE AND CHATTEL MORTGAGE WAS TRANSPORTED AND CAUSED TO BE TRANSPORTED BY THE SUPERIOR MANUFACTURING COMPANY OF AMARILLO, TEXAS, TO LOS ANGELES, CALIFORNIA.

"FIVE. ON OR ABOUT OCTOBER TWENTY, NINETEEN SIXTYONE, THE PACIFIC FINANCE COMPANY, LOS ANGELES, CALIFORNIA, SENT A CHECK TO SUPERIOR MANUFACTURING COMPANY FOR FIFTYFIVE THOUSAND, NINE HUNDRED SIXTYEIGHT DOLLARS, FOR THE ABOVE ASSIGNED NOTE AND CHATTEL MORTGAGE. COMPLAINANT STATES THIS COMPLAINT IS BASED ON INFORMATION AND BELIEF."

BILLIE SOL ESTES ARRESTED BY BUREAU AGENTS AT PECOS, TEXAS, AT SIX PM CST, FIVE PM MST, AND TAKEN IMMEDIATELY BEFORE USC RICHARD TOLL, PECOS, TEXAS. USA HAD RECOMMENDED AND USC HAS APPROVED BOND OF FIVE HUNDRED THOUSAND DOLLARS EACH ON ESTES AND MC SPADDEN, TWO HUNDRED FIFTY THOUSAND DOLLARS EACH ON ORR AND ALEXANDER. SAC, DALLAS, AND SAC, EL PASO, MAKING JOINT RELEASE, BRIEFLY SUMMARIZING THE FACTS IN THE COMPLAINT AND ANNOUNCING THAT ESTES WAS ARRESTED BY BUREAU AGENTS AND TAKEN BEFORE USC TOLL, PECOS, TEXAS. DALLAS ENDEAVORING TO LOCATE OTHER THREE DEFENDANTS AND SERVE SUBPOENA DUCES TECUM [REDACTED]

[REDACTED] AND WILL KEEP BUREAU ADVISED ON

END PAGE THREE

b3
b7D

PAGE FOUR

b3
b6
b7C

DEVELOPMENTS ON ARRESTS.

SA [REDACTED] HAS GONE TO DALLAS TO WORK OUT PROPER DIMENSION
OF INVESTIGATION AND MAKE ALL PREPARATIONS POSSIBLE FOR PRESENTATION
Y THIS CASE TO FEDERAL GRAND JURY [REDACTED]
[REDACTED]

FOR INFORMATION BUREAU, REPORT RECEIVED THAT ATTORNEY GENERAL
WILL WILSON OF TEXAS HAS SENT A NUMBER OF INVESTIGATORS TO WEST
TEXAS TO SEE WHAT LOCAL AUTHORITIES CAN DO ABOUT THE ESTES TRANSACTIONS.
BUREAU WILL BE KEPT ADVISED.

END AND ACK PLS

CORRECTION EP FILE NO. SLD READ "29-351/

END AND ACK PLS

WA 8-56 PM OK FBI WA NH.

DL OK FBI DL FLL

TU DISC PM

CC-MR. ROSEN

Notation
3/30/62
JGH

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAR 30 1962

TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

URGENT 3-30-62 7-02 PM CST FLL

TO DIRECTOR, FBI /29-28704/ AND SAC EL PASO /29-351/

ATTN. GENERAL INVESTIGATIVE DIV. AND CRIME RECORDS DIV.

FROM SAC DALLAS /29-1096/ 2P

BILLIE SOL ESTES, FUG. - COLEMAN DELBERT MC SPADDEN, FUG. -

HAROLD EUGENE ORR, FUG. - RUEL WADE ALEXANDER, FUG., ITSP, MAIL
FRAUD, CONSPIRACY. OO EP.

RE DL TEL MARCH TWENTYNINE LAST, AND DALLAS TEL CALLS EP
INSTANT DATE.

RE TEL REFLECTED APPREHENSION OF SUBJS MC SPADDEN, ALEXANDER
AND ORR AT SEVEN FORTYFIVE PM, MARCH TWENTYNINE LAST. ALL
REMANDED CUSTODY USM IN LIEU OF BONDS SET AT TWO HUNDRED FIFTY
THOUSAND DOLLARS EACH. ADDITIONALLY, USDC, WDT, EL PASO DIV.
ISSUED A SUBPOENA DUCES TECUM [REDACTED]

10 APR 4 1962
Y USM AND BUAGENT AT WHICH

END PAGE ONE

58 APR 9 1962

F460

PAGE TWO

TIME SUBJECTS STOOD MUTE. DUE TO READING OF SUBPOENA NO EFFORT
MADE BY BUAGENTS TO TAKE CONTROL OF RECORDS SINCE SUBPOENA
ORDERED SUBJS [REDACTED]

[REDACTED] WDT, EL PASO, CONSULTED

WITH RESPECT TO BUAGENTS AND/OR USM [REDACTED]

[REDACTED] SAC EL PASO CONFERRING WITH

USA-S OFFICE EL PASO RE DECISION ON ABOVE.

INFO DEVELOPED REPORTEDLY THAT AT FOUR PM THIS DATE
APPLICATION FOR WRIT OF HABEAS CORPUS FILED WITH USDC, NDT,
AMARILLO, TEX. ON BEHALF OF SUBJECT ORR ALLEGING NO VALID
WARRANT AT TIME OF ARREST AND EXCESSIVE BOND. FEDERAL JUDGE
JOSEPH DOOLEY SET HEARING ON INSTANT WRIT FOR APRIL THREE
NEXT AT AMARILLO. JUDGE ALSO SIGNED ORDER INSTRUCTING USM
PRODUCE SUBJ ORR IN USDC APRIL THREE NEXT. FURTHER, JUDGE
ORDERED SUBJ ORR NOT BE REMOVED IN THE MEANTIME FROM AMARILLO,
TEX. INFO DEVELOPED THAT SIMILAR WRITS MAY BE FILED AS
RELATES TO SUBJS ALEXANDER MC SPADDEN. INVESTIGATION BEING CONDUCTED
WITH A VIEW TO DEVELOPING SUFFICIENT DATA AND INFO
FOR PRESENTATION OF CASE BEFORE FGJ SITTING IN WDT, [REDACTED]

[REDACTED]
BUREAU WILL BE APPRISED OF CONTINUING DEVELOPMENTS.

END AND ACK

WA 8-09 PM OK FBI WA WS

EP 01 FBI EP DRH TU DIST

CC-MR. ROSEN

b3
b6
b7C
b7D

b3

FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAR 29 1962
TELETYPE

Mr. Tolson ☒
Mr. Belmont ☒
Mr. Mohr ☒
Mr. Callahan ☒
Mr. Conrad ☒
Mr. DeLoach ☒
Mr. Evans ☒
Mr. Malone ☒
Mr. Rosen ☒
Mr. Sullivan ☒
Mr. Tavel ☒
Mr. Trotter ☒
Tele. Room ☒
Miss Holmes ☒
Miss Gandy ☒

URGENT 3-29-62 11-37 AM CST EEA
TO DIRECTOR, FBI /29-28704/ AND SAC, EL PASO /29-351/
FROM SAC, DALLAS /29-1096/ 6-P

CHANGED. BILLIE SOL ESTES., COLEMAN S. MC SPADDEN., HAROLD ORR.,
RUEL ALEXANDER, ITSP-MF, CONSPIRACY. OO-EL PASO. TITLE CHANGED
TO INCLUDE MC SPADDEN, ORR, AND ALEXANDER AS ADDITIONAL SUBS AND TO
ADD CONSPIRACY TO CHARACTER. RE LOS ANGELES TEL, MARCH TWENTYSEVEN LAST.

[REDACTED] PACIFIC FINANCE CO.,
LOS ANGELES, [REDACTED] CONTACTED
AT DALLAS, TEX., MARCH TWENTYEIGHT LAST. BOTH UNABLE TO SUBMIT TO
DETAILED INTERVIEW DUE TO NECESSITY THEIR PRESENCE AT DALLAS CONFERENCE
OF VICTIMIZED FINANCE COMPANIES CURRENTLY IN PROGRESS. TENTATIVE
APPOINTMENT MADE FOR COMPLETE INTERVIEW TODAY.

IN TOKEN INTERVIEW YESTERDAY, [REDACTED] STATED THEY HAD
SERIES OF MEETINGS WITH ESTES, MC SPADDEN, AND THEIR ATTORNEYS,
NELSON AND NELSON, LUBBOCK, TEX., DURING FEB. AND EARLY MARCH,
SIXTYTWO. MC SPADDEN OWNS IN EXCESS SIXTY PER CENT CAPITAL STOCK
OF SUPERIOR MANUFACTURING CO., AMARILLO, TEX., /SUPERIOR/, RESIDES
LUBBOCK, TEX., AND OFFICES AT HEREFORD, TEX. ORR IS PRESIDENT AND
ALEXANDER SECRETARY-TREASURER OF SUPERIOR AND MINORITY STOCKHOLDERS
IN COMPANY.

MR. BELMONT FOR THE DIRECTOR

53 APR 9 1962

3/29/62
Two Kink.

memo Walter to Rosen

PAGE TWO

IN ABOVE MEETINGS ESTES AND MC SPADDEN ADMITTED SUBSTANTIALLY ALL OF CONTRACTS SOLD BY SUPERIOR INVOLVING AMMONIA TANKS TO FINANCE COMPANIES ARE WHOLLY FICTITIOUS. ESTES ACKNOWLEDGED IS RESPONSIBLE FOR IN EXCESS TWENTY MILLION DOLLARS WORTH OF CONTRACTS DISCOUNTED AND MC SPADDEN ADMITTED RESPONSIBILITY FOR IN EXCESS OF TWO MILLION. CONTRACTS SIGNED BY ORR AND ALEXANDER FOR SUPERIOR AS ASSIGNEE. ESTES AND MC SPADDEN REPORTEDLY INDICATED THEY WERE AWARE CONTRACTS AND RELATED CREDIT INSTRUMENTS INVOLVED WOULD BE INTERSTATE VIA MAIL TO FINANCE COMPANIES. ESTES AND MC SPADDEN ATTENDING CURRENT CONFERENCES AT DALLAS AND STANDING MUTE, NEITHER ADMITTING OR DENYING FRAUDULENT CHARACTER OF TRANSACTIONS.

IN AFOREMENTIONED MEETINGS WITH ESTES INFORMED b6
b7C HE CONCEIVED SCHEME IN CONDUCT OF BUSINESS VENTURE INVOLVING SALE OF ANHYDROUS AMMONIA, AND USED PROCEEDS OF DISCOUNTED TRANSACTIONS IN EXPANSION OF HIS GRAIN STORAGE FACILITIES. ESTES WOULD SUPPLY MAJORITY OF FARMERS AND RANCHERS IN WEST TEXAS WITH ANHYDROUS AMMONIA FOR FERTILIZING AT OR BELOW COST AND SUBSEQUENTLY PURCHASE ALL GRAIN HARVESTED FROM THESE FARMERS FOR RESALE TO GOVERNMENT, AND ULTIMATE STORAGE FOR GOVERNMENT IN GRAIN ELEVATORS OWNED BY HIM.

PAGE THREE

THROUGH EMPLOYEES OR AGENTS OF ESTES, FARMERS WOULD BE CONTACTED WITH STORY OF ESTES NEED FOR UNLIMITED NUMBER OF AMMONIA TANKS FOR USE IN FURTHERANCE OF GRAIN BUSINESS, BUT FOR TAX PURPOSES NOT FEASIBLE FOR ESTES TO PURCHASE TANKS HIMSELF BECAUSE OF LONG TERM AMORTIZATION. AS TAX ADVANTAGE OF ESTES, PROPOSED FARMER PURCHASE SAME IN HIS NAME AND RENT THEM TO ESTES UNDER LEASE ARRANGEMENT. TRANSACTION WOULD BE ACCOMMODATION TO ESTES WHO WOULD ACCEPT DIRECT DELIVERY OF TANKS FROM SUPERIOR AND RETAIN SAME. ESTES WOULD PROVIDE FARMER WITH REQUIRED MONTHLY INSTALLMENT DUE UNDER CONTRACT AND ARRANGE FOR SUPERIOR TO FURNISH LETTER GUARANTEEING FARMER WOULD IN NO WAY BE HELD LIABLE FOR NOTE OR TANKS. FARMER WOULD BE ASSURED ESTES WOULD MAKE REQUIRED DOWN PAYMENT ON CONTRACT AND IN CONSIDERATION OF ACCOMMODATION FARMER WOULD BE PAID TEN PER CENT OF FACE VALUE OF CONTRACT AS A BONUS.

SPURIOUS CONTRACT OR CREDIT SALE THEN DISCOUNTED BY SUPERIOR WITH A FINANCE CO., WITH FICTITIOUS SERIAL NUMBERS RECORDED ON THE DOCUMENTS PURPORTEDLY REPRESENTING AMMONIA TANKS COVERED WHICH WERE, OF COURSE, NONEXISTENT. PROCEEDS DERIVED FROM DISCOUNTED TRANSACTION DEPOSITED TO BANK ACCOUNT OF SUPERIOR, WHO RETAINED A PORTION THEREOF

PAGE FOUR

EQUIVALENT TO WHAT IT WOULD HAVE COST COMPANY TO MAKE TANKS HAD THEY EXISTED WITH BALANCE OF PROCEEDS DISBURSED TO ESTES, METHOD UNKNOWN. MC SPADDEN ADMITTED IDENTICAL MO IN TRANSACTIONS ORIGINATED BY HIM.

[] STATED ESTES EXERCISES CONSIDERABLE INFLUENCE IN DEMOCRATIC PARTY, IS PERSONAL FRIEND OF VP LYNDON B. JOHNSON, SENATOR RALPH YARBROUGH AND OFFICIALS IN DEPT. OF AGRICULTURE. AT ONE POINT DURING MEETINGS CLAIMED WAS INSTRUMENTAL IN THE APPOINTMENT OF PRESENT US AMBASSADOR TO BRAZIL. INDICATED HE HOLDS CURRENT VISA TO BRAZIL AND THREATENED IF ANY LEGAL ACTION EITHER CIVIL OR CRIMINAL ENTER-TAINED AGAINST HIM, INTENDED TO FLEE TO BRAZIL FOR ASYLUM. ^{b6}_{b7C}

MC SPADDEN ALSO THREATENED TO BURN ALL RECORDS OF SUPERIOR SHOULD ANY LEGAL ACTION BE FILED. ACCESS TO THESE RECORDS DENIED FINANCE COMPANIES.

[] STATED AT TIME ADMISSIONS MADE, IT WAS AGREED WITH ESTES, MC SPADDEN AND THEIR ATTORNEYS [] WOULD NOT USE OR TESTIFY TO THE INFO IF SUBSEQUENT CRIMINAL ACTION FILED. [] STATED, HOWEVER, IN HIS OPINION AGREEMENT DID NOT PROHIBIT FURNISHING INFO FOR INVESTIGATIVE ASSISTANCE TO LAW ENFORCEMENT AUTHORITIES. [] EMPHASIZED, HOWEVER, HE WAS ETHICALLY BOUND BY THE AGREEMENT, AND THEREFORE, WOULD NOT TESTIFY TO ADMISSIONS MADE.

PAGE FIVE

MAJORITY OF ACCOUNTS HELD BY FINANCE COMPANIES IN DEFAULT.

STATES PACIFIC FINANCE CO., LOAN FILES IN HIS POSSESSION CONTAIN COPIES ONLY OF CREDIT INSTRUMENTS AND THAT ORIGINALS AND PERTINENT CORRESPONDENCE ATTENDANT THERETO LOCATED AT LOS ANGELES HOME OFFICE.

b6
b7c

TODAYS EDITION OF "DALLAS MORNING NEWS" CARRIES ARTICLE CAPTIONED "FBI AGENTS ALSO LOOK INTO LOANS", WHICH REFERS TO CURRENT CONFERENCE AT DALLAS OF VICTIMIZED FINANCE COMPANIES AND INDICATES NOTES HELD BY THESE COMPANIES ARE ALSO BEING CHECKED BY FBI AGENTS. NO RELEASE MADE BY DALLAS AND SOURCE OF THIS RELEASE UNKNOWN.

WILLIAM G. ELLIOTT, SPECIAL AGENT IN CHARGE, AGRICULTURE STABILIZATION AND CONSERVATION SERVICE /ASCS/, USDA, DALLAS, ON BASIS OF ABOVE ARTICLE, APPEARED AT DALLAS OFFICE TODAY.

ELLIOTT ADVISED PERSONNEL OF HIS OFFICE REVIEWING LIMITED NUMBER OF CHATTEL MORTGAGES FILED REEVES CO., TEX., TO DETERMINE IF MORTGAGES COVER EQUIPMENT /AMMONIA TANKS/ ONLY, OR IF MORTGAGES ALSO COVER FARMERS VESTED INTERESTS IN COTTON ALLOTMENTS. ADVISED MORTGAGES REVIEWED COVER EQUIPMENT ONLY., HOWEVER, USDA LEGAL COUNSEL SUGGESTED THERE MIGHT BE "SIDE AGREEMENTS" TO CHATTEL MORTGAGES WHICH WOULD RESULT IN ENCUMBRANCES AGAINST COTTON ALLOTMENTS.

PAGE SIX

ASCS PERSONNEL PROCESS INTERVIEWING APPROXIMATELY TEN FARMERS IN REEVES AND PECOS COUNTIES, TEX., TO DETERMINE IF SIDE AGREEMENTS EXIST AND, IF SO, WHETHER RELATE TO COTTON ALLOWMENTS.

ELLIOTT STATED CONSIDERS NO INVESTIGATIVE CONFLICT RE USDA INQUIRY AND CURRENT BUREAU INTEREST.

DALLAS WILL REVIEW FILES HELD BY AND ADVISE IDENTITY OF REPRESENTATIVE NUMBER TO PROVE VIOLATIONS AS REQUESTED BY EL PASO AIRTEL TO DALLAS, MARCH TWENTYTWO LAST.

b6
b7c

EL PASO CONSULT USA WITH RESPECT TO THREATS ATTRIBUTED TO ESTES AND MC SPADDEN, AS WELL AS VENUE AND POSSIBLE PROSECUTIVE ACTION AT THIS TIME.

AM COPIES TO LOS ANGELES AND NEW YORK IN VIEW OF INTEREST AND CURRENT INVESTIGATION.

END ACK IN ORD

WA12-58 AM OK FBI WA ELR

EP OK FBI EP JRH

TU DISC O

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAR 29 1962

TELETYPE

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

URGENT 3-29-62 7-45 PM MST RAR

TO DIRECTOR, FBI ATTN. GEN. INV. DIV. AND CRIME RECORDS DIV.

FROM SAC, EL PASO /29-351/

BILLIE SOL ESTES, COLEMAN D. MC SPADDEN, HAROLD ORR, RUEL ALEXANDER,

ITSP - MF, CONSPIRACY. OO EL PASO.

AS OF POSSIBLE INTEREST TO BUREAU FOLLOWING DATA OF A BIOGRAPHICAL NATURE ON ESTES IS SUBMITTED. ESTES, THIRTYSEVEN, OF PECOS, TEXAS WAS BORN IN CALLAHAN COUNTY, TEXAS AND CAME TO PECOS IN NINETEEN FIFTY ONE. HE IS A FARMER AND INDUSTRIALIST. ACCORDING TO THE PRESS IN NINETEEN FIFTYTHREE HE WAS NAMED AMONG THE FIVE OUTSTANDING YOUNG MEN BY THE TEXAS JUNIOR CHAMBER OF COMMERCE AND IN NINETEEN FIFTYFOUR WAS ON THAT ORGANIZATIONS TOP TEN YOUNG MEN IN THE NATION. HE HAS FOUR CHILDREN. NO CRIMINAL RECORD KNOWN. NO BACKGROUND INFO AVAILABLE ON OTHER THREE DEFENDANTS IN EL PASO DIVISION. DALLAS WILL FORWARD BACKGROUND ON ORR, ALEXANDER AND MC SPADDEN WHEN IT CAN. ALL FOUR DEFENDANTS ARE NOW IN CUSTODY. ORR AND ALEXANDER IN AMARILLO, MCSPADDEN IN LUBBOCK AND ESTES IN PECOS. BUREAU WILL BE KEPT ADVISED OF DEVELOPMENTS. ADDITIONAL ITEM, USC IN PECOS SET BOND ON ESTES AT FIVE HUNDRED THOUSAND DOLLARS. USC IN LUBBOCK WILL SET BOND ON MCSPADDEN AT TWO HUNDRED FIFTY THOUSAND NOT FIVE HUNDRED THOUSAND AS RECOMMENDED.

END AND ACK

9-52 PM OK FBI WA RAM

TU RAM DISC

EX - 102

APR 3 1962

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAR 29 1962
30
TELETYPE

Mr. Tolson ☒
Mr. Belmont ☒
Mr. Mohr ☒
Mr. Callahan ☒
Mr. Conrad ☒
Mr. DeLoach ☒
Mr. Evans ☒
Mr. Malone ☒
Mr. Rosen ☒
Mr. Sullivan ☒
Mr. Tavel ☒
Mr. Trotter ☒
Tele. Room ☒
Miss Holmes ☒
Miss Gandy ☒

MEMO SENT
THRU 3/30

URGENT 3-29-62 10-55 PM CST FLL

TO DIRECTOR, FBI /29-28704/ AND SAC EL PASO /29-351/

ATTENTION. GENERAL INVESTIGATIVE DIV. AND CRIME RECORDS DIVISION

FROM SAC DALLAS /29-1096/ 2P /P/

CHANGED, BILLIE SOL ESTES, COLEMAN DELBERT MC SPADDEN, HAROLD
EUGENE ORR, RUEL WADE ALEXANDER, ITSP, MAIL FRAUD, CONSPIRACY.

TITLE CHANGED TO REFLECT COMPLETE NAMES OF SUBJECTS. OO EP.
RE EL PASO TELETYPE TO BUREAU TODAY.

SUBJECT MC SPADDEN APPREHENDED BUREAU AGENTS, LUBBOCK, TEXAS
AT SEVEN FORTYFIVE PM THIS DATE. ARRAIGNED IMMEDIATELY BEFORE
USC [REDACTED] LUBBOCK, TEXAS, AND REMANDED TO LUBBOCK
COUNTY JAIL, LUBBOCK, TEXAS, IN LIEU OF TWO HUNDRED FIFTY THOUSAND
DOLLARS BOND. NOTED BOND REDUCED FROM FIVE HUNDRED THOUSAND TO
TWO HUNDRED FIFTY THOUSAND DOLLARS BY USC, ON RECOMMENDATION OF
SUBJECTS ATTORNEY.

MC SPADDEN DESCRIBED WM, BORN MARCH FOUR, NINETEEN SEVENTEEN,
ABERNATHY, TEXAS. RESIDES FORTY-NINE ZERO NINE -- NINETEENTH ST.,
LUBBOCK, TEXAS. PRESIDENT CONSOLIDATED GRAIN, INC., AMARILLO, TEXAS.

SUBJECTS ALEXANDER AND ORR ARRESTED BUREAU AGENTS, AMARILLO,
TEXAS, SEVEN FORTYFIVE PM IMMEDIATELY ARRAIGNED BEFORE USC [REDACTED]

[REDACTED] AND COMMITTED TO POTTER COUNTY JAIL, AMARILLO, TEXAS, IN

LIEU TWO HUNDRED FIFTY THOUSAND DOLLARS BOND, SET ON EACH.

62 APR 12 1962
END PAGE ONE

MR. BELMONT FOR THE DIRECTOR

CRIME RESEARCH

b6
b7c

PAGE TWO

ALEXANDER DESCRIBED WM, BORN JULY FIVE, TWENTY-FIVE, DODSON, TEXAS. RESIDES THREE FOUR TWO EIGHT MARION ST., AMARILLO, TEXAS, MARRIED, THREE CHILDREN. SECRETARY- TREASURER, SUPERIOR MANUFACTURING CO., AMARILLO, TEXAS.

ORR DESCRIBED WM, BORN NOVEMBER TWELVE, THIRTY, CORUM, OKLAHOMA, MARRIED, ONE CHILD. RESIDES THREE FOUR ZERO THREE SUNLITE, AMARILLO, TEXAS. PRESIDENT SUPERIOR MANUFACTURING CO., AMARILLO, TEXAS. ALL SUBJECTS STANDING MUTE ON ADVICE OF COUNSEL.

SAC, DALLAS AND SAC, EL PASO MAKING JOINT RELEASE, BRIEFLY SUMMARIZING FACTS IN COMPLAINT AND FACT SUBJECTS MC SPADDEN, ORR AND ALEXANDER ARRESTED BY BUREAU AGENTS, ARRAIGNED BEFORE U. S. COMMISSIONERS, AND REMANDED CUSTODY USM, IN LIEU OF BOND.

BUREAU AND EL PASO WILL BE APPRISED OF ALL PERTINENT DEVELOPMENTS AS THEY OCCUR.

END AND ACK

WA QWAPXXX12-02 AM OK FBI WA HFL

DP OK FBI EP RAR

TU DISCOVV

CC-MR. ROSEN + *Mr. DeLoach*

RECEIVED
FBI
JUL 12 1962

JUL 30 5 25 PM '62

RECEIVED
FBI
JUL 31 1962

FBI

Date: 4/3/62

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via TELETYPE URGENT
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

TO: DIRECTOR, FBI (29-28704) AND
SAC, EL PASO (29-351)

FROM: SAC, WFO (87-new)

BILLIE SOL ESTES, ET AL, ITSP, MAIL FRAUD-CONSPIRACY. OO EL PASO.

RE WFO PHONE CALL TO BUREAU APRIL THREE INSTANT. INFO DEVELOPED BY WFO AT PASSPORT OFFICE, STATE DEPARTMENT, APRIL TWO LAST THAT SUBJECTS LAST PASSPORT ISSUED IN FIFTYSEVEN AND PASSPORT FILE CURRENTLY IN RETIRED FILES, FEDERAL RECORDS CENTER, ALEXANDRIA, VIRGINIA. SINCE SUBJECTS PASSPORT NOW EXPIRED AND HE CAN OBTAIN NEW PASSPORT BY APPLYING AT ANY PASSPORT AGENCY, BUREAU INSTRUCTED APRIL THREE INSTANT THAT STOP NOTICE BE PLACED IN PASSPORT FILE OF SUBJECT BY WFO. STOP BEING PLACED TODAY.

② - Bureau
2 - Teletype Unit
1 - WFO

SFM:kel
(5)

ST-114

REC-50

29-28704-29

25 APR 4 1962

12 DE 1 04 10 1962

04 1 23 1962

Approved: MW
Special Agent in Charge

Sent _____ M Per _____

53 APR 11 1962

4/6/62

TELETYPE

URGENT

TO: SACS, EL PASO (29-351) AND DALLAS (29-1096)

FROM: SAC, MINNEAPOLIS (87-7949)

BILLIE SOL ESTES DASH FUGITIVE; ET AL, ITSP DASH MF, CONSPIRACY,
OO EL PASO, BUDED APRIL SIXTEEN, NEXT.

RE EL PASO AIRTEL MARCH TWENTY NINE, LAST.

FIRST ACCEPTANCE CORP. IS NOW A DIVISION OF JAMES TALCOTT INC.,
NEW YORK CITY. [REDACTED]

MINNEAPOLIS OFFICE, IS NOW IN LUBBOCK, TEXAS, AT THE PIONEER HOTEL
ADMINISTERING THE COMPANY'S INTERESTS IN THE TEXAS SWINDLE.

[REDACTED] ADVISES THAT ALL LOAN
DOCUMENTS OF FIRST ACCEPTANCE HAVE BEEN REMOVED FROM THE OFFICE AND
PLACED IN SAFE KEEPING IN BANK VAULTS. FIRST ACCEPTANCE CORP. HAS
FORTY TWO SEPARATE LOAN TRANSACTIONS WITH SUPERIOR MANUFACTURING CO.
AND LUBBOCK MACHINE AND SUPPLY CO.

FOR SECURITY REASONS, LOCAL MINNEAPOLIS OFFICIALS ARE NOT
PERMITTED TO REMOVE DOCUMENTS OR DISCUSS CASE WITHOUT AUTHORITY FROM

[REDACTED] NOT DUE BACK IN MINNEAPOLIS UNTIL MONDAY OR TUESDAY,
NEXT, AND HE IS FLYING TO SAN FRANCISCO AFTER LEAVING LUBBOCK.

1 - Bureau (AM)
1 - Minneapolis
RNP:blh
(2)

RECEIVED

U.S. DEPT. OF JUSTICE
FBI

APR 8 3 33 PM '62
U.S. DEPT. OF JUSTICE
FBI

NOT RECORDED

16 APR 9 1962

57 APR 11 1962

b6
b7C

MP 87-7949

SUGGEST DALLAS INTERVIEW [] CONCERNING SUBJECTS OF CASE AND EXPEDITE AUTHORIZATION FOR PHOTOSTATING PERTINENT DOCUMENTS IN MINNEAPOLIS BANK VAULTS.

[] STATES THAT HE IS HESITANT TO DISCUSS CASE BECAUSE OF CAUTION BY COMPANY OFFICIALS IN VIEW OF WIDE FLUCUATION IN STOCK MARKET CAUSED BY NEWSPAPER PUBLICITY OF TEXAS SWINDLE.

BECAUSE OF LOCAL RECORD SITUATION, EL PASO DEADLINE OF APRIL SIX, NEXT, WILL NOT BE MET. EL PASO WILL BE KEPT ADVISED OF AVAILABILITY OF RECORDS AT FIRST ACCEPTANCE.

b6
b7C

no action
4/2/62
gjm

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 2 1962 *Man*
TELETYPE

Edley
W. J. [unclear]

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

[Redacted Box]

mz

URGENT 4-2-62 UAPP PM MST RAR

TO DIRECTOR, FBI AND SAC, DALLAS
FROM SAC, EL PASO /29-351 *W. J. [unclear]*

BILLIE SOL ESTES, FUG. ET. AL. ITSP - MF - CONSPIRACY. DAILY SUMMARY.
REMYTEL TODAY.

GOVERNMENT PUT ON FOUR WITNESSES, ATTORNEY FRANK CAIN, PACIFIC
FINANCE CO. SAS ROY DAHL AND FRANCIS CROSBY. b6
b7C
ON ESTES MOTION TO REDUCE BAIL. CAIN AND TESTIFIED TO FINANCIAL
POSITION OF ESTES AND HIS STATEMENT OF INTENTION TO FLEE TO BRAZIL.
SA DAHL TESTIFIED ABOUT AND PRODUCED A CHATTEL MORTGAGE IN THE AMOUNT
OF NEARLY FIVE MILLION DOLLARS RECORDED IN REEVES COUNTY COURT HOUSE
WITH ESTES AS MORTGAGOR. INSTRUMENT SHOWED ASSIGNMENT TO A SWISS
BANKING FIRM. CROSBY TESTIFIED HE HAD NEVER BEEN ABLE TO SECURE ANY
INFORMATION FROM SWISS NUMBERED BANK ACCOUNTS AND ALSO THAT THERE
WAS NOTHING HE COULD DO ABOUT ARRESTING A PERSON FREE ON BAIL EVEN
THOUGH HE RECEIVED INDICATION OF INTENTION TO FLEE WITHOUT A COURT
ORDER. ESTES WITNESSES WERE ALL OF THE CHARACTER VARIETY EXCEPT ESTES
END PAGE ONE

26 APR 4 1962
3 3 15 14 05
29-28704-30
12 APR 12 1962
EX-116
FBI
REC-15
25 APR 4 1962
br

63 APR 12 1962

PAGE TWO

TOOK STAND AND TESTIFIED THE CHATTEL MORTGAGE OF NEARLY FIVE MILLION DOLLARS WAS A JOKE AND HE DID NOT THINK IT WAS DISHONEST. ACTUALLY IT WOULD APPEAR MORTGAGE WAS FILED TO SATISFY FINANCE COMPANIES WHO WERE INVESTIGATING THE EXISTENCE OF ESTES ASSETS AT THE TIME THAT SWISS BANKS WERE BUYING ESTES AND SUPERIOR PAPER. JUDGE THOMAS REDUCED BOND TO ONE HUNDRED THOUSAND SAYING THE EIGHTH AMENDMENT GUARANTEES THAT BAIL SHALL NOT BE EXCESSIVE AND RULES ON BAIL REQUIRE THAT IT ONLY REASONABLY GUARANTEE THE APPEARANCE OF PERSON ADMITTED TO BAIL AT THE TIME AND PLACE APPOINTED.

ESTES HAS MADE BAIL.

ESTES TESTIFIED HIS "ASSETS "AS A GOING CONCERN" WERE ABOUT TWENTY MILLION DOLLARS. HIS LIABILITIES HE CALCULATED AT APPROXIMATELY THIRTYTWO MILLION DOLLARS.

GRAND JURY OCCUPIED WITH OTHER MATTERS TODAY BUT WILL BEGIN HEARING TESTIMONY ON ESTES CASE. BUREAU WILL BE KEPT ADVISED. ^{b3}
END AND ACK PLS

WA 9-08 PM OK FBI WA MLL

DL OK FBI DLTEW

TU DISCT

CC-MR. ROSEN

*no action
4/2/62
JGR*

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 2 1962

TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

URGENT 4-2-62 3-36 PM MST JPM

TO DIRECTOR FBI "29-28794" AND SAC DALLAS "29-1096"
FROM SAC EL PASO "29-351"

BILLIE SOL ESTES, FUG., ET AL., ITSP - MF, CONSPIRACY.

U. S. DISTRICT JUDGE R. E. THOMASON, EL PASO, REDUCED
SUBJECT ESTES BAIL TO ONE HUNDRED THOUSAND DOLLARS AT THREE
FIFTEEN PM MST TODAY. HEARING ON MOTION TO REDUCE BAIL BEGAN
AT ELEVEN FIFTEEN AM GOVERNMENT PUT ON FOUR WITNESSES,
ESTES SIX, INCLUDING BILLIE SOL ESTES, AT THE CONCLUSION OF
WHICH JUDGE THOMASON SAID PURPOSE OF EIGHTH AMENDMENT IS TO
PRESERVE THE RIGHT TO BAIL WHICH REASONABLY GUARANTEES THE
DEFENDANT AT COURT. BUREAU WILL BE KEPT ADVISED OF DEVELOP-
MENTS.

EX-116

REC-15

29-28794-31

25 APR 4 1962

END AND ACK IN ORDER PLS

WA 5-2/11 5-39 PM OK FBI WA MLL

DL OK FBI DL EEA

DISC PLS

53 APR 12 1962

cc. Mr. Rosen

APR 3 3 35 PM '62

REC'D DEPT. OF JUSTICE
FBI

b6
b7c

GENERAL INVESTIGATIVE DIVISION

3/31/62

This is the case involving a substantial swindle in Texas perpetrated by Billie Sol Estes and his associates.

The United States Attorney has agreed to reduce bond on all subjects with exception of Estes to \$25,000. Subject McSpadden was released on bond on 3/30/62. Hearing on reduction of Estes bond set for 4/2/62.

The facts of this case to be presented to Federal Grand Jury starting [redacted]

[redacted]

b3

V. Keene

G

CC MR. TOLSON

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAR 30 1962

TELETYPE

Viper at

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

URGENT 3-30-62 8-48 PM MST DRH
TO DIRECTOR FBI "29-28704" AND SAC DALLAS "29-1096"
FROM SAC EL PASO 29-351"

ATTENTION GENERAL INVESTIGATIVE DIVISION AND CRIME RECORDS
DIVISION.

Quincy E 3-29-62
custody 3-30-62
BILLIE SOL ESTES, FUG- COLSMAN DELBERT MC SPADDEN, FUG, HAROLD
EUGENE ORR, FUG, RUEL WADE ALEXANDER, FUG, ITSP, MAIL FRAUD,
Office of Origin
CONSPIRACY. -- EL PASO.

RE DL TEL MARCH THIRTY.

all undup
SUMMARY OF DEVELOPMENTS. AUSTIN [REDACTED] EL PASO HAS AGREED TO
REDUCTION IN BOND ON MC SPADDEN, ORR AND ALEXANDER TO TWENTYFIVE
THOUSAND DOLLARS EACH.

HEARING ON REDUCTION OF BOND FOR ESTES WILL BE HELD BEFORE
USDJ THOMASON, EL PASO, ELEVEN AM, MST, APRIL THIRTYNEXT. GOVERNMENT
WILL PRESENT EVIDENCE OF ESTES INTENTION TO FLEE IF BOND REDUCED.
END PAGE ONE

RECEIVED - DIRECTOR
FOR THE DIRECTOR.

63 APR 12 1962

12 APR 4 1962

b6
b7c

PAGE TWO

Assistant United States Attorney

~~AUSA~~ HAS ALSO STATED HE WILL NOT OPPOSE JUDGE DOOLEY-S WRIT AND COURT HERE WILL NOT HOLD ORR AND ALEXANDER FOR FAILURE TO ANSWER SUBPOENA BECAUSE THERE IS AN INJUNCTION AGAINST ANY ACTION WHATEVER AGAINST RECORDS OF SUPERIOR MANUFACTURING COMPANY GROWING OUT OF CIVIL SUIT FILED BY PACIFIC FINANCE COMPANY IN JUDGE DOOLEY-S COURT.

GRAND JURY

b3

b3
b6
b7C

INVESTIGATION PREPARING FOR GRAND JURY CONTINUING AND BUREAU WILL BE KEPT ADVISED OF DEVELOPMENTS.

END AND ACK PLS

WA 10-55 PM OK FBI WA RAC

DL OK FBI DL FLL

TU DIV

CC-MR. ROSEN + *mr. DeLoach*

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 5 1962
TELETYPE

Mr. Tolson	
Mr. Belmont	
Mr. Mohr	
Mr. Callahan	
Mr. Conrad	
Mr. DeLoach	
Mr. Evans	
Mr. Malone	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Mr. Holmes	
Miss Gandy	

URGENT 4-5-62 9-53 AM MST IJP

TO - DIRECTOR, FBI "29-28704"

FROM - SAC, EL PASO "29-351" 1-PAGE

BILLIE SOL ESTES, FUG., ET. AL., ITSP - MIAL FRAUD, CONSPIRACY.

REMY DAILY SUMMARY TEL APRIL FOUR, LAST.

THE BODY OF GEORGE A. KRUTILEK WAS FOUND NINE MILES NORTH OF THE CLINT OVERPASS IN EL PASO COUNTY, TEXAS, THIS MORNING. HE WAS DEAD FROM ASPHYXIATION AND PRELIMINARY INVESTIGATION BY THE SHERIFFS OFFICE INDICATES SUICIDE.

ONE OF THE FILES FOUND IN THE BILLIE SOL ESTES ENTERPRISES RECORDS, CONTAINED CORRESPONDENCE FROM KRUTILEK INDICATING KRUTILEK WAS A "FINDER" FOR ESTES IN THAT HE LOCATED FARMERS WHO WOULD BE INTERESTED IN ENTERING INTO THE FRAUDULENT CHATTEL MORTGAGE TRANSACTION. KRUTILEK WAS AN ACCOUNTANT BY TRADE AND HANDLED THE BOOKS FOR SIX OR MORE FARMERS IN THE WEST TEXAS AREA WHO ENTERED INTO AGREEMENTS WITH ESTES FOR THE PURCHASE OF ANHYDROUS AMMONIA TANKS.

KRUTILEK WAS INTERVIEWED APRIL TWO LAST FOR APPROXIMATELY TWO AND ONE HALF HOURS BY ASAC JACK C. SPENCER AND SA EDWARD JOSEPH MURPHY. HE APPEARED SOMEWHAT NERVOUS BUT NOT UNUSUALLY SO AT THE TIME OF THE INTERVIEW AND DECLINED TO FURNISH A SIGNED STATEMENT. HE FURNISHED A SMALL AMOUNT OF INFORMATION CALCULATED TO MINIMIZE HIS ROLE IN THE TRANSACTIONS. PRESS INQUIRIES BEING "NO COMMENTED."

END AND ACK PLS

EX-116

REC-24

F.B.I.

REC'D APR 19 1962

MR. BELMONT FOR THE DIRECTOR

67 APR 10 1962

TU DISCT

cc: Mr. Evans, Supv. Mr. Rosen

no action
4/3/62
gaa

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 3 1962

TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

Ed
W
3
log

URGENT 4-3-62 7-40 PM MST RAR

TO DIRECTOR, FBI /29-28704/ ATTN. GENERAL INVESTIGATIVE DIVISION
AND SAC, DALLAS /29-1096/
FROM SEC, EL PASO /29-351/
BILLIE SOL ESTES, FUGITIVE, ET AL., ITSP-MAIL FRAUD, CONSPIRACY.
DAILY SUMMARY.

prelate
E B P
3-29-6

REMYTEL PARIL TWO LAST. SUMMARY OF IMMEDIATE INVESTIGATION

OUTSTANDING. [REDACTED] BILLIE SOL ESTES [REDACTED]
BILLIE SOL ESTES ENTERPRISES [REDACTED] REVIEW OF RECORDS
SUPERIOR MANUFACTURING CO., REVIEW OF RECORDS FARMERS COMPANY PAREN
ESTES COMPANY END PAREN, FABENS, TEXAS, COMPLETION OF REVIEW OF RECORDS
OF BILLIE SOL ESTES ENTERPRISES, SEVERAL FARMERS NOT YET SELECTED
BECAUSE EXACT LANGUAGE OF INDICTMENT NOT YET KNOWN.

b6
b7c

PERTINENT INTERVIEWS AND INVESTIGATION COMPLETED ARE, [REDACTED]
PACIFIC FINANCE CO. VICE-PRESIDENT, FRANK CAIN, DALLAS ATTORNEY FOR
PACIFIC FINANCE CO., PERTINENT FARMERS IN EL PASO, SIERRA BLANCH AND
VAN HORN, TEXAS, [REDACTED] FARMERS COMPANY /ESTES
OPERATING CO./ [REDACTED] TEXAS [REDACTED] FARMERS CO., AND
[REDACTED] FICTITIOUS. [REDACTED] CHEMICAL CO., RECORDS OF
PACIFIC FINANCE CO., PERTINENT RECORDS OF BILLIE SOL ESTES ENTERPRISES.

EX-116
REC-50
29-28704-24
APR 6 1962

END PAGE ONE

63 APR 12 1962

PAGE TWO

FARMERS INTERVIEWED TO DATE AND [REDACTED] HAVE BEEN
APPARENTLY QUITE COOPERATIVE. AS AN INDICATION OF THE FORM INVESTIGATION
IS TAKING, [REDACTED] IN A SIGNED STATEMENT FURNISHED DETAILS OF
THE CHANGING OF SERIAL NUMBER PLATES ON MANY ANHYDROUS AMONIA TANKS IN
SEVERAL AREAS IN WEST TEXAS. HE KNEW THESE MEN TO BE REPRESENTATIVES OF
EITHER SUPERIOR MANUFACTURING CO. OR BILLIE SOL ESTES ENTERPRISES,
OR BOTH. [REDACTED] "PECOS HEADQUARTERS" SUBSEQUENTLY TOLD HIM ORALLY
THAT TANKS ON WHICH SERIAL NUMBERS HAD BEEN ^CWHANGED WOULD BE CHECKED BY
SOME FINANCE COMPANY REPRESENTATIVE IN THE NEAR FUTURE AND SOMETIME
LATER A MAN REPRESENTING A NEW YORK FINANCE COMPANY DID CHECK TANKS IN
FABENS IN THE SUMMER OF NINETEEN SIXTY. IN SPRING OF NINETEEN SIXTYONE,
[REDACTED] LEARNED FROM LOWER VALLEY FARMERS OF ESTES PLAN TO SELL TANKS
TO FARMERS, RELEASE THEM FROM THEM AND SECURE CHATTEL MORTGAGES FROM
THE FARMERS. SHORTLY AFTER THIS, [REDACTED]
[REDACTED] TEXAS, AND WAS SUBSEQUENTLY ADVISED
FROM HIS PECOS HEADQUARTERS THAT FROM TIME TO TIME HE COULD BE INFORMED
BY THAT HEADQUARTERS HOW MANY TANKS HAD BEEN PURCHASED AND BY WHAT
FARMERS. THIS ADVICE INCLUDED INFORMATION AS TO THE SERIAL NUMBERS
OF THE TANKS ALLEGEDLY COVERED BY THE SALE. [REDACTED] PREPARED A LETTER
[REDACTED] ADDRESSED TO THE

END PAGE TWO

b6
b7C

PAGE THREE

PERTINENT PERSON ACKNOWLEDGING THE FACT THAT [REDACTED] HAD TAKEN DELIVERY OF THE TANKS. ONE OF TANK RECEIPT ACKNOWLEDGEMENT SITUATIONS HE RECALLED WAS WITH [REDACTED] CONCERNING THE DELIVERY OF SLIGHTLY OVER ONE HUNDRED ANHYDROUS TANKS. [REDACTED] KNEW HE HAD NOT RECEIVED ANY SUCH TANKS AND EVEN AT THE TIME HE DOUBTED SUCH TANKS EXISTED AT ALL. HE PREPARED AND MAILED LETTERS OF ACKNOWLEDGEMENT TO SEVERAL OTHER FARMERS AND SPECIFICALLY ONE TRANSACTION WITH [REDACTED] [REDACTED] FOR ONE HUNDRED FIVE TANKS [REDACTED] [REDACTED] FOR A LARGE NUMBER OF TANKS. HE KNEW HE HAD RECEIVED SUCH TANKS. HE RECALLED A SIMILAR TRANSACTION WITH [REDACTED] [REDACTED] WAS TOLD THAT ANY INQUIRIES HE RECEIVED ABOUT ANHYDROUS AMONIA TANKS FROM PERSONS REPRESENTING THEMSELVES AS CONNECTED WITH FINANCE COMPANIES WERE TO BE REFERRED TO PECOS FOR ANSWER. [REDACTED] STATE HE PREPARED CREDIT INFORMATION STATEMENTS FOR THE BENEFIT OF FINANCE COMPANIES ABOUT THE CREDIT EXPERIENCE OF FARMERS PURCHASING TANKS WITH THE [REDACTED] CHEMICAL CO. /A FICTITIOUS CONCERN/ AND THAT HE MAILED ENTIRELY FICTITIOUS CREDIT INFORMATION ABOUT THESE PERSONS RECEIVED FROM [REDACTED] IN ESTES OFFICE IN PECOS ON THE STATIONARY OF THE [REDACTED] CHEMICAL CO. TO FINANCIAL COMPANIES OUTSIDE

END PAGE THREE

b6
b7c

PAGE FOUR

THE STATE INNLUDING SPECIFICALLY ONE OF [REDACTED] TO THE PACIFIC FINANCE CO. OF LOS ANGELES, AND ALSO TO OTHER FINANNE COMPANIES ABOUT [REDACTED]

b6
b7C

STATEMENT FROM [REDACTED] FARMERS COMPANY, AN ESTES OPERATING COMPANY, IS IN SIMILAR VEIN AND ESTES ON ONE OCCASION SPECIFICALLY ASKED [REDACTED] TO CHANGE SERIAL NUMBER PLATES ON FOUR HUNDRED TANKS WHICH [REDACTED] REFUSED TO DO.

FOR INFORMATION OF BUREAU, AUSA [REDACTED] PROSECUTIVE THEORY IS PRIMARILY A CONSPIRACY TO VIOLATE THE ITSP STATUTE, TWO THREE ONE FOUR, PARAGRAPH A, AND THE MAIL FRAUDE STATUTE, ONE THREE FOUR ONE, TITLE EIGHTEEN. THE SPECIFIC ITSP VIOLATION IS THE INTERSTATE TRANSPORTATION OF THE PROMISSORY NOTE OBTAINED FROM THE MANY FARMERS INVOLVED THROUGH FRAUD.

b3
b6
b7C

END PAGE FOUR

PAGE FIVE

APPREHENSION REPORT BEING SUBMITTED APRIL FOUR NEXT, AND
EVERY EFFORT BEING MADE TO SUBMIT FAIRLY COMPREHENSIVE
INVESTIGATIVE REPORT BY APRIL FIFTEEN NEXT. BUREAU WILL BE KEPT ADVISED.
END AND ACK PLS

WA 9-55 PM OK FBI WA MLL

DL OK FBI DL TEW

TU MUCH DISC PLS T

CC-MR. ROSEN

No action
4/4/62
[Signature]

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 4 1962

TELETYPE

URGENT 4-4-62 7-06 PM MST RAR

TO DIRECTOR, FBI /29-28704/ ATTN. GENERAL INVESTIGATIVE DIVISION
AND SAC, DALLAS /29-1096/
FROM SAC, EL PASO /29-351/
BILLIE SOL ESTES, FUG. ET AL., ITSP - MAIL FRAUD, CONSPIRACY.
DAILY SUMMARY.

REMYTEL APRIL THREE LAST.

INVESTIGATIVE DEVELOPMENTS, ATTORNEY FOR [REDACTED]

[REDACTED] ESTES EMPLOYEES, INSISTED ON BEING PRESENT AT INTERVIEWS
BY BUAGENTS SO INTERVIEWS NOT CONDUCTED. [REDACTED]

[REDACTED] TEXAS, [REDACTED]

TEXAS [REDACTED]

SUCCESSFULLY INTERVIEWED BY DALLAS. SIGNIFICANT BUT NOT VITAL GAPS
IN SUPERIOR MFG. CO. RECORDS WERE OBSERVED, SUPERIOR-S GENERAL
LEDGER MAY NINETEEN SIXTY TO PRESENT, PRODUCTION RECORDS, VOUCHERS
AND VOUCHER REGISTERS, SALES INVOICES AND JOURNALS RE TANKS MAY
NINETEEN SIXTY TO PRESENT AND CORPORATE MINUTE BOOK ARE MISSING.

AUSA [REDACTED] WILL TAKE UP WITH COUNSEL FOR SUPERIOR, ORR AND ALEXANDER.
THESE GAPS NOT VITAL FOR GRAND JURY ACTION.

BUREAU WILL BE KEPT ADVISED.

3 END AND ACKS PLS
APR 12 1962

EX-116

REC-50

WA 9-10 PM OK FBI WA NH

CC-MR. ROSEN

OXUBN OK FBI DL TEW

12 APR 6 1962

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

b6
b7C

b3
b6
b7C